

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 3687. A bill to provide revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. FAY:

H. R. 3688. A bill to change the name of "watchman" in the Postal Service to that of "post-office guard"; to the Committee on the Post Office and Post Roads.

H. R. 3689. A bill to provide 6 months' pay to all honorably discharged veterans of World War No. 2; to the Committee on Military Affairs.

By Mr. HOBBS:

H. R. 3690. A bill to safeguard the admission of evidence in certain cases; to the Committee on the Judiciary.

By Mr. RANDOLPH:

H. R. 3691. A bill to permit the construction, maintenance, and use of certain pipe lines for steam-heating purposes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SATTERFIELD:

H. R. 3692. A bill to provide for National Guard and Reserve officers, who have served in two wars and have reached the age of retirement while in active service, the same pay and allowances as are applicable to officers of the Regular Army upon retirement; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. R. 3693. A bill to aid in the stabilization program and the war effort by paid newspaper advertising in connection with the sale of United States bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. JARMAN:

H. Con. Res. 57. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Ways and Means of the House of Representatives, current session, on the bill 3687, Revenue Act of 1943; to the Committee on Printing.

By Mr. LANHAM:

H. Res. 358. Resolution to establish an Office of Fiscal Investigations as an agency of the House of Representatives; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORAND:

H. R. 3694. A bill for the relief of Charles Myers; to the Committee on Naval Affairs.

By Mr. CURLEY:

H. R. 3695. A bill for the relief of the estate of Thomas Shea, deceased; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3616. By Mr. Schiffer: Petition of Jiosep Consalvo and other citizens of Follansbee, W. Va., opposing House bill 2082; to the Committee on the Judiciary.

3617. By Mr. Case: Petition of J. M. Tucker and 50 other residents of Edgemont, S. Dak., urging prohibition for the duration of the war, or at least a rationing of liquor to avoid the use of essential food and materials in liquor manufacture and distribution; to the Committee on the Judiciary.

3618. Also, petition of Mrs. Wayne Morrison and 117 other residents of Sturgis, S. Dak., urging the enactment of House bill

2082, to prohibit the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war and until the termination of mobilization; to the Committee on the Judiciary.

3619. By Mr. STEFAN: Petition of Charles H. Foe and 17 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3620. Also, petition of Mabel Stevens and 34 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3621. Also, petition of Arthur W. Larson and 19 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3622. Also, petition of Josephine R. Lindburg and 36 other citizens of Polk, Nebr., urging enactment of House bill 2082; to the Committee on the Judiciary.

3623. By Mr. SMITH of West Virginia: Petition of the Boyd Memorial Sunday School and Randolph Street Advent Sunday School members, Charleston, W. Va., urging the passage of House bill 2082, the Bryson bill; to the Committee on the Judiciary.

3624. Also, petition of Mrs. C. A. Sinnett and other citizens of North Charleston, W. Va., urging the passage of House bill 2082, introduced by Hon. JOSEPH R. BRYSON, of South Carolina; to the Committee on the Judiciary.

3625. By Mr. GRIFFITHS: Petition of sundry citizens of Licking Township, Muskingum County, Ohio, supporting Senate bill 860 which would give legal protection from the traffic in all alcoholic beverages and from commercialized prostitution in and around Army training camps and all military and naval centers; to the Committee on the Judiciary.

3626. By Mr. COCHRAN: Petition of George Boswell and 18 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3627. Also, petition of Victor Marino and 35 other St. Louis citizens, protesting against the passage of House bill 2082 which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3628. Also, petition of C. S. Lawton and 22 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3629. Also, petition of the Krey Packing Co. and signed by 95 St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3630. Also, petition of the Mayfair Hotel and signed by 60 other St. Louis citizens, protesting against the passage of House bill 2082, which seeks to enact prohibition for the period of the war; to the Committee on the Judiciary.

3631. By Mr. FORAND: Petition of Guyan Mills, Inc., Valley Falls, R. I., and employees, protesting against the statutory increases in rate of the Federal old-age and survivors insurance tax effective January 1, 1944, and requesting the Congress to freeze this rate at 1 percent for the duration of the emergency, because various and sundry taxes are already extremely burdensome, and this particular tax will double the income from this source, which is already ample for the purpose intended; to the Committee on Ways and Means.

3632. By Mr. CASE: Petition of Mrs. Hiram Crow and 67 other members of Townsend Club, No. 1, of Lemmon, S. Dak., urging support of House bill 1649, the Townsend bill; to the Committee on Ways and Means.

3633. Also, petition of Mamie B. Long and 11 other members of the Townsend Club of

Martin, S. Dak., urging support of the Townsend plan and House bill 1649; to the Committee on Ways and Means.

3634. Also, petition of Harry C. Burntrager, adjutant, Captain Jack Foster Camp, No. 3, United Spanish War Veterans, Department of South Dakota, at Hot Springs, S. Dak., and other citizens of Hot Springs, requesting favorable consideration by the House of Representatives on House bill 2350, the Buckley bill; to the Committee on Pensions.

3635. By Mr. McCOWEN: Petitions signed by 443 persons of Clermont, Brown, Scioto, Adams, and Highland Counties, Ohio, urging passage of the Bryson bill, H. R. 2082, which would prohibit the manufacture, sale, or transportation of alcoholic liquor in the United States for the duration of the war and until the termination of demobilization; to the Committee on the Judiciary.

3636. By Mr. HOLMES of Washington: Petition of sundry citizens of Prosser, Wash., urging enactment of House bill 2082, to bring about a suspension of the alcoholic-beverage industry for the duration of the war; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

FRIDAY, NOVEMBER 19, 1943

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father Almighty, heaven and earth are filled with Thy glory and praise becometh the upright in heart. So often, dear Lord, strange fears and anxious hopes mingle in our breasts and then we would draw nearer to Thee and understand. For the joys of human experience do Thou make us tremendously ambitious, lifting us above the leaden things of life, shaping our souls mysteriously into the divine image.

O God, make us strong to bear the burden of and the heat of the day, dominated, enthralled by the spirit of justice; we plead for national deliverance from all social and political ills which undermine the domestic peace of our citizens. O let the spirit of our Master fall upon us like a garment until we deeply realize the sanctity of our heritage for the hope and advancement of mankind. Each day we pray that we may carry with us that patriotic devotion unabated, possessing the kingship of understanding and unity, inspired by the conquering supremacies of life. O lead us with strong wills and might of soul to believe that we are a part of a great purpose that shall carry with it the rapture of moral victory and spiritual progress for the sake of the appealing masses of this sad earth. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

ANNIVERSARY OF THE GETTYSBURG ADDRESS

The SPEAKER. The Chair recognizes the gentleman from Indiana.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that I may read to the House an address delivered by Abraham Lincoln 80 years ago today.

The SPEAKER. The Chair thinks the Chair is justified in recognizing the gentleman on this request. Without objection, the gentleman may proceed.

There was no objection.

Mr. LUDLOW. Mr. Speaker, fourscore years ago today, standing on an open platform in the chilly atmosphere at Gettysburg, Pa., Abraham Lincoln delivered an address that ranks as the greatest classic in our secular literature. As long as character is recognized and virtue is extolled that address will be known in every land and praised in every tongue. In memory of the man whom the united Nation honors and reveres and in recognition of this special anniversary, I have asked for this time in order that I may read the Gettysburg Address:

Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting place of those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth.

EXTENSION OF REMARKS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include therein an editorial from the Memphis Commercial Appeal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Record a letter from a constituent.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Record a radio talk by Mr. Chester Bowles. I am informed by the Public Printer that the speech will take one and one-quarter pages of the Record at a cost of \$56.25.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

THE HOG MARKET IN MONTANA

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I received this telegram this morning from Bozeman, Mont.:

BOZEMAN, MONT., November 19, 1943.
Hon. JAMES F. O'CONNOR,
Montana Congressman,
Washington, D. C.:

Hogs have been flooding the markets. Packinghouses cannot kill the livestock received. Railroads are overrun. This congested, stagnant condition exists every place. If this condition continues, breeding livestock for the future will be depleted and it will seriously curtail our food-for-victory supply in the future. This could be greatly relieved if the O. P. A. would put pork on the free list, point free, at least for 2 months until the people could get their winter supply of meat. We are wiring Price Administrator Chester Bowles, asking them to do this. Montana people will greatly appreciate your assisting them in bringing this about.

J. H. HEALY,

President, Chamber of Commerce.

EXTENSION OF REMARKS

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Record the testimony of Mr. Everson, secretary of agriculture of the State of South Dakota, given when he appeared before the Senate Committee on Agriculture this week on the matter of subsidies. Mr. Everson was for 4 years the national president of the Farmers Union. I think the Members will be interested in his point of view on the subject.

The SPEAKER. Without objection, the extension may be made.

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a poem from the pen of James Patrick McGovern.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HERTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include therein an editorial from the Christian Science Monitor.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Record a letter from Mr. Scott Ellis, farmer of Dallas Center, Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BENNETT of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on the subject of Government periodicals.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. BENNETT]?

There was no objection.

Mr. WOLVERTON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on the subject of H. R. 3420.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. WOLVERTON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire [Mr. STEARNS]?

There was no objection.

[Mr. STEARNS of New Hampshire addressed the House. His remarks appear in the Appendix.]

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include a letter just received from Mr. Cleveland Gilcreast, manager, New Hampshire Egg Producers Cooperative, which gives a fair statement of the critical situation which exists in New Hampshire today.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire [Mr. STEARNS]?

There was no objection.

EXTENSION OF REMARKS

Mr. GRIFFITHS. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the Record a news item on milk spoilage in my district.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. GRIFFITHS]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota [Mr. BURDICK]?

There was no objection.

[Mr. BURDICK addressed the House. His remarks appear in the Appendix.]

THE HOG SITUATION

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. GROSS]?

There was no objection.

Mr. GROSS. Mr. Speaker, we hear a great deal about the hog market right now. Yesterday I received from Mr. Jones, War Food Administrator, a leaflet with some recommendations contained therein. The first recommendation contained in this leaflet is that farmers will be authorized for a period of 90 days to slaughter on their farm any hogs owned by them and deliver the meat derived therefrom without obtaining a license or permit for such slaughter or delivery.

I called Mr. Jones' office and asked who the farmers could deliver them to. It so

happens that a lot of thrifty people in small towns up in Pennsylvania and all over the East like to buy two or three hogs in the fall and a quarter of beef, and butcher, cure, and can the meat for the year. This is an established practice. None of them have sufficient points to do this. He says I may slaughter my hogs, but he does not say to whom I may deliver them. There is no one to buy them. If the O. P. A. would permit these people to buy hogs and butcher it would remove perhaps 1,000,000 hogs from the market and give them much cheaper meat for the year and relieve a serious food situation. I wonder whether Mr. Jones thinks the consumers and the farmers are all a bunch of suckers. Until the administration realizes that the farmer must have a green light to produce, then he will produce with all his might, and until they make it possible for the consumers to buy those products, the entire food situation will go from bad to worse.

EXTENSION OF REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a speech delivered by our colleague from Washington [Mr. HORAN] last night over the radio, and I also ask unanimous consent to extend my own remarks in the Record and to include therein some resolutions adopted by the Ohio Republicans in Congress endorsing the candidacy of John W. Bricker for the Presidency of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. BROWN of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3477, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, a moment of recapitulation. On yesterday the leader of the majority side took the floor. He began the debate, and I assume as in former days he will want the floor to close debate. I admire him greatly. He has been a friend of mine for many, many long years. He gives me credit, I am sure—I have heard him say it—for being intellectually honest, and he is just that. But I want to complain of his viewpoint.

My friend, Dr. George B. Galloway, of the American Political Science Association, recently furnished me with many

criticisms of the Congress and many suggestions for reform in our procedure. I quote from one of his articles: "In recent years, moreover, majority party leaders have tended to become managers for the President rather than spokesmen for the Congress." Many times have I bewailed this fact. It is greatly in evidence in this debate. This condition must be changed. I will repeat this indictment as often as appears necessary. Let the leader of the majority tell the White House what the people here whom he leads think and will do about legislative matters. But when the lights are turned on at the White House, it seems to show the way to the leaders, who yield to that personal charm of which we often hear. They then attempt not to lead you, but to drive you. Your leader well knows today how the great majority of this House feels, and probably the majority of his own party. To drive a mule successfully it is better to find out how the mule wants to go, then go with him.

Further, our respected leader on yesterday harked back, as he often does, to those dark days of 1933. He finds himself today in a very hard position. He will not even support the chairman of this committee, which is very unusual. But he harks back, as so many others do, to 1933. I give him this poem for his edification. Some of you may wish to use it.

There was a dachshund,
Once so long he hadn't any notion
How long it took to tell his tail of his emotion.

So when his little eyes were filled with sadness
His little tail went wagging on because of previous gladness.

Just read the Record of yesterday and the answer of the gentleman from Michigan [Mr. CRAWFORD]. It devastates our leader's argument about inflation. It was highly informative. There now seems to be nothing left but a political inference. The inflation bogey in this instance now fails to affright the House.

I have here, I think, all of the speeches of recent days made by the gentleman from Texas [Mr. PATMAN]. It is very tedious to go through them. He is a great friend of mine, really. We differ, but I am sure we respect each other. I admire him greatly for his stubbornness of opinion. It is sometimes good to be stubborn. I was pleased yesterday when he told his colleague the gentleman from Texas [Mr. SUMNERS] that he [Mr. SUMNERS] was generally right, and he [Mr. PATMAN] was generally wrong. Well, I fear that he is generally wrong. But that does not discourage him. I have tried to read through most of these speeches, but, as the gentleman from Michigan [Mr. MICHENER] said on yesterday, they reiterate much. If we keep repeating a philosophy, we are bound to get some to agree with us, but we will have many more who find it so tiresome that they disagree. Too much heat in a discussion rouses suspicion that we simply whistle to keep up our courage. A letter reached his desk yesterday from one

of my constituents, who wrote him that he had listened to Fulton Lewis and had almost been convinced, and now, after listening to the gentleman from Texas [Mr. PATMAN], he was thoroughly convinced Mr. Lewis was right. As I said a day or two ago, keep it up. Attack JOE MARTIN all you want. It is so extremely helpful to us.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Indeed, I desire to yield.

Mr. McCORMACK. Of course, the gentleman has always been consistent.

Mr. GIFFORD. No. Consistency? What a word. "Consistency is the hobgoblin of little minds, of little statesmen, philosophers, and divines."

Mr. McCORMACK. I recall once that a distinguished Member of this body whom I admire very, very much, a dear friend of mine, made a speech against the wage-and-hour law, and in the next day or two he flopped over and made a speech for it.

Mr. GIFFORD. It could not have been I, for I supported that from the first. But that person need only say to you "I am wiser today than I was yesterday."

Mr. McCORMACK. I did not say it was the gentleman from Massachusetts, but perhaps the gentleman has a guilty conscience.

Mr. GIFFORD. Oh, no. Consistency? I have not too much love for it. Hide behind that theory? I would not hide behind that for a minute. If I thought I ought to change my mind—since the gentleman talks about intellectual honesty—I would change it, yes. We stray very often. We cannot always be consistent, as many judge us. Each problem has its different conditions to consider.

We have heard much about the hold-the-line order and the courage of the President. I visualize John L. Lewis, with merry, squinting eyes, indulging in a horse laugh at that suggestion. Do not tell John L. Lewis the President had the courage to hold the line. Do not tell me that, either.

The gentleman from Texas begs the gentleman from Michigan to tell him what program he would suggest, and he denies that he replied to him. The gentleman from Michigan [Mr. WOLCOTT] on yesterday read the law that Congress passed. He suggested that there be no more subterfuge but to act according to the law of Congress. The answer and the remedy was and is "Follow the law." Now about this hold-the-line order—

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I certainly will.

Mr. PATMAN. The gentleman says it was answered perfectly. I ask the gentleman if he can answer it or if the gentleman did answer it perfectly. The challenge was to suggest any way, without increasing prices, to encourage production without a subsidy.

Mr. GIFFORD. You have had your answer. Have a fair, proper price and hold the line there. A producer's subsidy is often necessary. Again, hold your arguments to consumer's subsidy.

Mr. PATMAN. A subsidy is the only way. The gentleman cannot suggest another way.

Mr. GIFFORD. You have the answer. We are now attempting to see to it that subterfuges are abandoned. The gentleman keeps saying over the radio and here, that in this bill we do away with the support prices. He has said that over and over again. The report accompanying this bill distinctly assures us that we do not interfere with support prices, but rather demand their continuance.

Mr. PATMAN. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. The gentleman from Michigan showed that. The gentleman should not misrepresent things like that.

Mr. PATMAN. The gentleman is misrepresenting it.

Mr. GIFFORD. Not at all.

Mr. PATMAN. In that provision you require the maximum price to be the same as the support price. Why not try it? It will not work. Marvin Jones says that it will not work.

Mr. GIFFORD. The support prices could not be below the parity prices. What is the use of arguing. This was all clearly stated yesterday by the gentleman from Michigan [Mr. Wolcott]. The gentleman from Texas can read that speech. Even he will be convinced. The gentleman from Texas states and reiterates that this bill is politics. His policy that he is defending definitely is politics. When did anything emanate during the last 10 years from the White House that was not carefully considered as to its political value or injury? He is now seemingly catering to the only class whose votes he still hopes to retain.

Mr. DILWEG. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. DILWEG. I believe that the gentleman does not want to misquote the law, but I think he said that the support price could not be below the parity price. Where in this law is there any such provision?

Mr. GIFFORD. The law is right there. The gentleman from Michigan has it, and he read it. The gentleman should read that speech. I trust I am not in error.

Mr. DILWEG. I am asking the gentleman a question.

Mr. GIFFORD. I say it is there because the gentleman from Michigan said it was there. That gentleman knows. The gentleman from Texas [Mr. PATMAN] says that the gentleman from Michigan [Mr. Wolcott] knows more than anybody else about this matter. He certainly does in my estimation also.

Mr. DILWEG. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. Yes.

Mr. DILWEG. I believe that what the gentleman intends to say is that the support price would not be below the ceiling price, and not parity.

Mr. GIFFORD. Parity.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. GORE. I think the gentleman is vastly mistaken. I believe he means to

say 90 percent of parity, rather than parity.

Mr. GIFFORD. Very well. In matters of the complex parity question make any claim or statement you may desire. But do not put another tree of detail before me so that I cannot see the forest of what I am trying to describe. The law has been sufficiently set out. All can read the law. I am trying to look at the general picture, especially the results now obtained. Subsidies? Of course, I believe in subsidies. Is that being inconsistent? Subsidy means simply a grant from the Federal Government to private industry when it is supposed to be beneficial to the public. We have always had subsidies, and we always will. But there are many animals that I like and many that I do not like. But they are all animals, skunks among the rest. Who does not believe in subsidies when reasonable and desirable? They are indeed necessary at times of haste in preparation for defense. You talk about subsidies in New England. When the Government suddenly takes all of the shipping away from New England, so that we cannot get coal or oil, then the Government should see to it that other compensatory methods are employed for their delivery—quite a different reason for quite a different subsidy. This bill does not have anything to do with that kind of subsidy. This is limited to food subsidies. The gentleman from Texas even talks about the League of Nations and the Republican conspiracy of many years ago to bulwark his argument on subsidies. He went so far afield that it discloses the weakness of his contentions. He says something about fats and oils having special treatment in this bill. These products, like aluminum, were and are needed to make the ammunition for war, and we had to get them no matter what prices or subsidies were paid for them. That is a highly different class of subsidy than these consumer class of subsidies under discussion.

We are objecting to the subterfuges indulged in by the administration to bypass this body. We have become tired of being bypassed. Should I get the ax for what the administration is doing against the full intent of laws passed by Congress? Our constituents blame us for these things. These bureaucrats thirst for power as a leech thirsts for blood. Their itch for power and the continuation of this administration is overwhelming them. Their success thus far in bypassing Congress in wartime has whetted their appetite. The President must look upon us with disgust and disdain in that he so easily outgeneraled us. How cowardly we have been in letting him do it. He does many things and then simply reports, "fait accompli." It is done and we must approve it, to save the face of the United States Government. Now, he thought he could bypass us in the consumer-subsidy matter. But the farmers all over this land of ours are aroused and enraged. They have had their medicine. They have had snoopers enough. They have had questionnaires enough. They know that if they want this bounty, they will have to keep their

books, and swear to the answers to all of the questions the investigator wants to ask, even to the degree of their stomach ache, maybe. They fear all this. All we want is the green light and the red light, but keep your snooping agents away from us, asking questions that are none of their business. We do not belong to a government of people who want to be regimented that way. The farmer well knows this is another attempt to regiment and socialize him; also that a subsidy will not suffice to cure his condition. "Hold the line." Make a rule and hide behind it. Keep it rigid. How foolish, when, of course, it could not be done without all sorts of exceptions. Hold the line as best and reasonably as you can is far different. But John L. Lewis broke the line and made a very large hole in it, large enough for the labor army to enter. Hold the line, rigid, just when the adjustments of many things were in process and vitally necessary. Just because some need to be checked, all must suffer, even to the point of collapse of their businesses.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. FITZPATRICK. A few years ago the gentleman was fighting for a subsidy for the fishing interests in his district.

Mr. GIFFORD. Was I?

Mr. FITZPATRICK. Yes, sir.

Mr. GIFFORD. I do not recall that.

Mr. FITZPATRICK. You do not recall that?

Mr. FITZPATRICK. It involved a couple of million dollars that you wanted to help out the fishing interests up there and you took the floor here and made a speech for it.

Mr. GIFFORD. Perhaps the gentleman may be mistaken. Anyway, I am sometimes like you fellows; sometimes I have a convenient memory.

Mr. FITZPATRICK. Oh, no.

Mr. GIFFORD. No.

Mr. GIFFORD. Perhaps I ought not to recall it. So seldom do our fishing boys get anything.

Mr. FITZPATRICK. The gentleman from Massachusetts [Mr. McCormack] was very much interested, and you and other delegations, both Democrats and Republicans.

Mr. GIFFORD. Did we get it?

Mr. FITZPATRICK. Yes; you got part of it.

Mr. McCormack. Yes. I introduced a bill and we got an appropriation first of \$1,000,000, and then we got more.

Mr. GIFFORD. Well, that is right. The gentleman from Massachusetts [Mr. McCormack] takes all the credit. But I told you I liked some subsidies, did I not? I am glad to be reminded of that. I can now really have something to remind my fishermen of next year and can claim a part of Mr. McCormack's share of the credit. Fishermen have had a hard time. They are an independent group. They are and will be up against harder times under O. P. A. treatment. When the O. P. A. held a meeting with the fishermen in my city they soon learned how the fishermen regarded

them. They walked out of the hall, saying, "to hell with the O. P. A." You cannot regiment my fishermen. Do not try it. The farmers are now awake and joined up.

Mr. HILL. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. HILL. I am interested in subsidies, too. We grow beets. I ask you because I know nothing about it whatever, but was not that fishery appropriation a producer subsidy?

Mr. GIFFORD. Of course.

Mr. HILL. I am asking you.

Mr. GIFFORD. I thought it wise not to enlarge upon it at the moment.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. WOLCOTT. I remember quite distinctly, when we made provision that the fishing industry would be exempt, the argument was made on both sides of this Chamber that the fishing boats would not go out from Gloucester or anywhere else to catch fish to feed the people unless we paid a subsidy. So, it is very obviously, a producer subsidy, to obtain the maximum amount of production.

Mr. GIFFORD. I thank the gentleman. I am rescued. It was not wise for me to prolong discussion of that matter.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. GIFFORD. I yield to the future Senator.

Mr. MORRISON of North Carolina. This bill does not carry any subsidy, does it? The provision in controversy simply denies the President the right to use any of the funds appropriated by this bill or others, to use a subsidy, if he decides to do so?

Mr. GIFFORD. Contrary to law. It is a producer subsidy that we are willing to have; and not a consumer subsidy.

Mr. MORRISON of North Carolina. What is the good of inserting this if the law does not now permit him to use subsidies when he thinks it is wise?

Mr. GIFFORD. Just to call his attention to the fact that he has not properly interpreted the law and the intent of Congress.

Mr. MORRISON of North Carolina. And that is the only purpose, I would judge, of the bill, to try to make the President behave himself?

Mr. GIFFORD. Well, yes; put it that way.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes.

Mr. GIFFORD. I thank the gentleman. I desire to make a better ending. I have much material here yet for discussion. Must we pass many laws, designed to curb the President in his own interpretation of them? Small wonder that the bureaus are assuming to themselves power that we did not have any notion of granting them, noting the success of the administration in multiplying personnel and activities.

Mr. MORRISON of North Carolina. Will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Is that not a matter for the Department of Justice to deal with, instead of a legislative body?

Mr. GIFFORD. I cannot imagine the Department of Justice arresting the present chauffeur. Only the people can arrest him. The judges are appointed by the Executive.

Mr. MORRISON of North Carolina. Does the gentleman think the courts of the United States are creatures of this great President that is so disturbing him?

Mr. GIFFORD. Well, he has appointed most of them.

Mr. MORRISON of North Carolina. To the courts?

Mr. GIFFORD. I want to be careful what I say about that. I cannot allow you to bait me further along that line.

Mr. MORRISON of North Carolina. I would.

Mr. GIFFORD. I have great respect for judges, but not always for their opinions.

Mr. MORRISON of North Carolina. What I am trying to get clear is this, that this is a negative act, controlling the will of the President, under what is claimed to be the law, and prevents his using any of the money appropriated to any agency for the purpose of giving a subsidy to keep down prices, or any other purpose?

Mr. GIFFORD. Well, put it that way, if you desire. But, keep in mind that this is a consumer subsidy problem. We are not preventing floor prices, support prices, or even producer subsidies, even if the line of demarcation is sometimes a little confusing.

Mr. MORRISON of North Carolina. That is the same thing. That is the only purpose of this controverted provision.

Mr. GIFFORD. Well, its purpose is to tell the President which road he shall travel, and not travel the road of subterfuge. Again Congress is asserting its right. It will take a two-thirds vote to recover this right. This is a lesson that we be cautious in our grants to the Executive in the future. When the R. F. C. is called upon to spend millions and millions of dollars to roll back prices, we hesitate to believe that to be a proper interpretation of any law yet passed by Congress. Think of the billions that could be available to the whim of the Executive. Shall we stop it or not?

Mr. MORRISON of North Carolina. I love the gentleman so much that when he looks at me like he did then, I feel like sitting down and quitting.

Mr. GIFFORD. Once before I had to explain, "My face, I don't mind it, for I am behind it! It is you out in front that I jar." I do look ugly at times and greatly deplore it.

Mr. MORRISON of North Carolina. What I am driving at is this: You say they are to follow the law. I do not think they are. That is a difference of opinion, but the purpose of this controverted provision in this act is to deny

the President, or any agency of this Government the right to use appropriations heretofore made, and appropriations made by this bill, as subsidies to control consumer prices?

Mr. GIFFORD. We will try to make it strong enough this time. Our leaders said on yesterday that we would vote for this bill and then would pray that the veto would not be overridden. In that way we would be saved from ourselves. Well, the President vetoed the antistrike bill. I have thought that he prayed diligently that we would override his veto.

Mr. FORD rose.

Mr. MORRISON of North Carolina. Will the gentleman yield for another question?

Mr. GIFFORD. Just a moment; the gentleman from California is ahead of the gentleman from North Carolina.

Mr. MORRISON of North Carolina. I beg his pardon.

Mr. FORD. The gentleman says he is violating the law. The gentleman voted for the adoption of the price-control bill in 1942, did he not?

Mr. GIFFORD. Yes.

Mr. FORD. And most of the gentleman's colleagues did.

Mr. GIFFORD. Yes.

Mr. FORD. It carried overwhelmingly.

Mr. GIFFORD. We took 3 months considering it and the officials knew right well how the committee interpreted it.

Mr. FORD. All right; let me ask the gentleman this question: Did we not direct the President in that bill to stabilize prices, to hold prices?

Mr. GIFFORD. Only as best he could. We said nothing about "holding the line, hell or high water." The gentleman knows the terms of the law as well as I do.

Mr. FORD. Of course I do.

Mr. GIFFORD. If farmers need a cent a quart more on milk to meet cost of production, give it to them. That does not mean a 10 percent rise in the cost of living, nor does it mean, as the gentleman from Texas [Mr. PATMAN] said, a 10-times increase. We hold the line at the new prices determined as necessary for production.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MORRISON of North Carolina. Does not the gentleman think that if the President believes a law should be vetoed, under his oath of office and under the Constitution of the United States it becomes the President's duty to veto it?

Mr. GIFFORD. But there are cases where perhaps he might feel pleased if it passed after he vetoed it. He may satisfy his conscience and feel that his duty ended there. But this President has "Dutch" in him and he will persevere. I may say that I think our President has a political mind and that he weighs the political results of all these policies and measures. He seems to know where the

votes left to him are and is catering to them. This is my own opinion. It seems to me that this is why he wants a consumer subsidy. Does it matter to him what the great majority of the people and their elected Representatives may desire? It seems not, and this attitude will be proven if this act receives his veto. The people are terribly tired of his attitude of "Mother knows best."

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FORD].

Mr. FORD. Mr. Chairman, following the debate that has so far taken place on this bill I can come to no other conclusion than while this has been called an antisubsidy bill it looks to me as though it were developing into a piece of rotten class legislation; rotten because it picks out a certain class, the farmer, and says that he shall have subsidies, he shall have support prices, he shall have incentive prices, he shall have any other kind of price up to a certain amount of parity or more, but no consumer regardless of where the prices go shall be permitted to have a subsidy that might enable him to live. Take the 15,000,000 white-collar people down below who have not had any raises and let them start paying 90 cents a pound for butter, 90 cents a pound for beef, 60 cents a pound for pork, 25 cents a quart for milk, and 25 cents a loaf for bread and some of you boys will hunt for the fox holes when it comes next election time; I will tell you that.

Mr. SADOWSKI. Or \$5 for a chicken as we paid during the last war. Do you remember that?

Mr. FORD. Probably; yes.

Mr. SADOWSKI. Five dollars for one chicken.

Mr. FORD. Mr. Chairman, it is my purpose to confine my remarks to section 3 of the pending bill.

This section purports to abolish all subsidies in the following brave words:

SEC. 3. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Government-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, including milk and livestock and the products thereof.

Mr. Chairman, the language there is clear to barring subsidies and I never saw anything more direct than that.

Of course there is a reprieve of the subsidy principle to December 31, 1943. Then follows a lot of verbiage about maximum prices not being established below support prices, said support prices not being subsidies only because they are not called subsidies.

But, after all these brave words about abolishing subsidies, on page 5, line 23, we read these weasel words:

Provided further, That none of the foregoing provisions shall apply to any payments

or losses incurred in transactions with respect to competitive domestic vegetable oils and fats and oilseed.

Of course, soybeans, peanuts, and cottonseed, at least, the last two products, are important crops in Alabama and other adjacent States.

So, my friends, we have a bill that abolishes subsidies for the consumer, but continues subsidies for the farmer. Of course what the farmer is to get is not called a subsidy. It bears various camouflage names. Sometimes it takes the form of a loan, at other times parity payment. Or it may be called soil conservation, support-price payment or incentive payments.

But all these payments have one common characteristic. They are all paid out of the Treasury of the United States. So we have the \$64 question, "When is a subsidy not a subsidy?" It is not a subsidy when Congress in its wisdom calls it, for political expediency, something else.

So we have section 3 of this bill masquerading as a section to abolish subsidies. To me it is a back-scratching, log-rolling piece of political chicanery, in other words a legislative fraud, which by trick and device purports to abolish subsidies on the one hand while establishing them on the other.

I am just wondering what farmers or farm representatives are thinking about when they get into a stew about subsidies.

Let us just take a look-see. Since 1933, the cotton farmers alone have received in subsidies \$1,350,000,000. Other farmers have received since 1933 approximately \$6,000,000,000 under the name, not of subsidies, but as parity payments, crop-allotment and soil-practice payments. Every dollar of the money came from the Treasury.

When we read this record of subsidies in one form or another, amounting in the aggregate to so many billions of dollars, is it any wonder if we nonfarmers fail to understand this new-born rugged individualism of the farmer, who, for 10 years, has been the recipient of the Treasury's bounty.

I would also like to call your attention to the fact that those who oppose consumer subsidies point out that these subsidies will be paid out of borrowed money and that, therefore, the next generation will be paying the present generation's grocery bill.

Since, however, the money that is still to be paid in subsidies under section 3, under the guise of support prices and incentive payments and all the other camouflaged subsidies that will still remain in force, all comes from the Public Treasury and is, therefore, borrowed money, these sums will also be paid by the next generation.

If this vicious section 3 becomes a law, and the inflation floodgates are opened, as they will be, the billion or two spent for consumer subsidies will not amount to a drop in the bucket. But the misery and disaster that will result will damn this Congress forever.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the

gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, so far as the farmer is concerned, the term "subsidy" is a misnomer. It is an undercover attempt to pay the farmer only a part of what he is justly entitled to. The name "subsidy," however, suggests to the general public a means of giving the farmer something in the nature of a special privilege. The farmer is held up to the public mind as one who will not do his fair share in this war effort unless he is paid well for it.

Nothing could be further from the truth. The farmer is not yet getting cost of production. He is selling his normal output at a loss, and this subsidy is an attempt, and probably the only attempt that can be made in this Congress, to even up the loss.

Surely, no one here seriously thinks it would work to let the law of supply and demand set the prices on farm products. With all the idle money lying around, this would mean run-away inflation, and the farmer would be a victim along with all others. So, the objection to subsidies must be an objection to giving the farmer enough additional money to provide him a fair return for his efforts. That, I think, is what the trouble is about. It's the old story about refusing to give the farmer a square deal.

Had this body years ago, 6 years ago, 4 years ago, 2 years ago, or even now, established a cost-of-production program, we wouldn't have all this fuss over giving the farmer a part of what he is justly entitled to. But this body for the last 20 years has failed to adopt such a program. Such a program never became a law. The Congress passed such a measure twice and it was twice vetoed. During the last 9 years, Congress has absolutely ignored any cost-of-production program, and hence we are having all this trouble over many phases of agriculture.

Just to show you how the makeshift price to be given the farmer is arrived at, let me illustrate how the plan affects wheat, hogs, and beef.

WHEAT

First, the average annual production per county is determined, and if the average is 8 bushels per acre, that fact is used in connection with other facts.

The second fact to be discovered is what has been the historic acreage in wheat on that farm. If that has been 150 acres, we have another fact to use in our formula.

Third, we say to the farmer, cut your acreage 5 percent. On a basis of 150 acres, therefore, the farmer would plant 117½ acres.

Fourth, we say to the farmer, if you do cut your acreage, we will pay you 13 cents per bushel for the average yield on the 32½ acres which you did not plant.

Fifth, the computation now reads that the farmer gets 13 cents per bushel on the 32½ acres at 8 bushels per acre, or \$42.25.

Result—over the same period, the farmer sells 940 bushels at a loss of 20 cents per bushel—a net loss of \$188. Ap-

plying the so-called subsidy payment of \$42.25, total net loss, \$145.75.

When, therefore, any move is made to pay the farmer a small part of what he is entitled to, the public flays the farmer from coast to coast for being a grabber and a recipient of special privilege.

Had we adopted the cost-of-production program, all this mathematical and philosophical formula could have been avoided and the farmer's proceeds would be on a par with those in other lines of production.

But Congress has curious mental processes. It refuses the farmer a living price, and right now, during the war, we decide to take away from the farmer what little adjustment we have heretofore made.

This reminds me of a quotation that reads something like this:

For unto everyone that hath shall be given, and he shall have abundance; but from him that hath not shall be taken away even that which he hath. (St. Matthew, xxv: 29.)

In the case of beef, every time a housewife pays 55 cents for steak she condemns the cattle growers. The subsidy on beef cattle only affects slaughter beef. The top price is set at 16 cents per pound, and a subsidy is supposed to take care of the processor. This does not affect 95 percent of the beef cattle in North Dakota, for the reason that we have feeder cattle instead of finished cattle. At the present time cattle breeders in North Dakota are selling cattle at much less than the cost of production. When cattle arrive at south St. Paul or Chicago from the western area, they are not classed as butcher cattle and the 16 cents limit does not apply. Our growers have to sell their cattle for what they can get, and right now feeder cattle are selling as low as 6½ to 7 cents per pound. There cannot be much logic in the assertion that the subsidy on butcher cattle affects our feeders. A 3-cent spread in price, together with the poundage put on by the feeder is considered a safe transaction. If that held true, feeder cattle should be bringing at least 10 to 13 cents per pound. The trouble lies, rather, with the price of feed—corn and barley. Feeders are reluctant to buy because they cannot see their way clear to put high-priced feed into unfinished cattle.

What applies to cattle applies to hogs. It takes about 12 bushels of barley to make 100 pounds of pork, and with the price of barley where it is and the price of corn, no one can afford to feed out hogs. The result is that you can buy in North Dakota a trainload of hogs for 4 cents per pound or less.

All the ills of every conceivable nature are charged to the subsidy, but if the subsidy were removed the price to the consumers would instantly rise, without helping the producer of livestock which are not fed out for the markets.

If all this is true—that the farmers who are stockmen are selling for less than the cost of production—how does it come that the farmers of the great Middle West are floating around in money? The fact is that they are not wallowing in wealth. They have debts and mountains of debts accumulated during the 9 years

of the Dust Bowl havoc, and to their credit it can be said that they are paying their obligations. Remember another thing—that we have had 3 unprecedented crop years—years where the production was immense. It was no man's fault that we had dry years, and it is to no man's credit that we have had three bounteous crops. That is due entirely to the will of the Almighty.

We will have short crops again, just as we have always had, and where will the farmer be then? Under present farm prices and with the average run of fair and poor crops there would be no farmers, in North Dakota, at least, emerging into independence, but we would have more clients for the Farm Security Administration with no funds voted by Congress to sustain the program.

I want the consuming public to know the truth about the farmers. I want them to know that any subsidy that finds its way back into the pockets of the farmers is a return to them, in part only, of the loss suffered in the sale of agricultural products.

I am of the opinion that all these underhanded payments ought to be cut out but until this Congress provides a law to give the farmer cost of production, how can anyone from the Middle West take away what little the farmer is able to scrape up from the various Government payments?

Some say the farmer is regimented, but one glance at the fields in North Dakota and the kind of farming now practiced cannot help but convince that out of the whole agricultural program has come a better farming system, and better land each year is left for the next year's crop. Through this planned system of farming, the devastating effect of dry years can be checked and in the end the farmer himself and the Nation will be benefited by the program of the Department of Agriculture.

Finally, I cannot agree to take any benefit which the farmer is now getting away from him during the present deadly conflict. I have made the statement on the floor of this House so often that I have become a bore to some, that food will win this war. We want more production—more and more food: Even if we did intend to cut out all benefits, is this the time to do it? A great many people in this country think this war will soon end, but my judgment is that we are going to have a long and costly war. Many people are already to say what the peace should be when we are a long time away from peace. The farther Germany is driven back to her own territory, the more war will increase in intensity. The Russians are demonstrating what it means to be fighting for their homeland; the Germans will also demonstrate what it means to be fighting for the life of the actual Germany. In my judgment, the side that has the last loaf of bread will win this war. Should we, therefore, in the name of economy, or in the name of anything else, take away from the farmer what few dribbles he gets from the Government while we sit

here bluntly refusing the farmer's program of cost of production.

This present Congress will also refuse any adequate appropriation to continue the Farm Security Administration, where thousands of farm families are being resuscitated and then actually paying their way. No more short-sighted policy could be adopted during a time when we need experienced farmers to bring about the success of our men in arms.

It is my considered opinion that if the so-called subsidies are abolished now, the small farmers of the Nation will receive no benefits and at the same time the consuming public will be aroused and wages will automatically have to go on up to meet the cost of living, and a period of general confusion and unrest will ensue at just the time when we should be all working together for a common purpose.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, it is almost universally recognized even by those who are opposed to the present bill that when we install the principle of consumer subsidies we are stepping on dangerous ground. If Congress once records itself in favor of this principle at this time of the country's greatest income, the demand for more and more subsidies will be almost impossible to refuse in times of depression, when incomes are small and people are having real difficulty in meeting their food bills.

If we approve of them now, subsidies will become the demagogue's paradise in future years. "Vote for me and let the Government pay your food bill" will be the cry. Someone must pay the bill ultimately, yes; but hidden taxes are not difficult to levy. There is reminiscent thought in this demand for food subsidies which goes back to the Roman Empire. "Bread and circuses" for the multitude kept the people quiet and kept the Emperor in power.

There has been no denial here that consumer subsidies are inflationary in the long run, and as has been said many times on the floor in the last 2 days, it is the utmost selfishness to ask our sons not only to fight the war, but as the future taxpayers of our Nation, to pay our present grocery bills, plus the expenses of administration of the program and interest and carrying charges on the debt incurred to pay these subsidies.

That subsidies are evil there can be no question; but what we must decide today is whether these evils are overbalanced by the immediate benefits which might result. It is true that subsidies paid directly to the producer will save the consumer slightly more than the amount paid out, as the ultimate consumer pays a price which is loaded by mark-ups through various handlers.

It has been argued that if we can prevent rises in certain basic items, it will prevent a rise in all other items, and fantastic figures have been produced by certain people showing what this may amount to. I am frank to say I cannot see any justification for this claim. What has a subsidy on milk to do with the price of, say, oranges?

It is also true that there is an element of the population who have received no benefit from the war and to whom the high cost of living is causing real hardship. How large this group is is problematical.

When you consider total family take-home pay, I do not think that the group is as large as some think; but however small, they deserve real consideration, and it was for their protection that I urged before the Rules Committee that real consideration should be given to the Herter food-stamp plan. If aid is necessary for these people, it should be given to those who need it, not spread over everyone, be he rich or poor. You and I, and an overwhelming majority of the American people, can and should pay our own grocery bills now.

The argument has been made that, if we do not continue subsidies, labor will be justified in demanding the breaking of the Little Steel formula; that wages will go up; then prices; then wages; and the spiral of inflation will be in full force.

Now, I am one of those who saw the dangers of inflation long ago and have been fighting to prevent it, long before the administration was willing to come to grips with the question.

Two years ago, I supported the theories of Mr. Baruch, as embodied in legislation proposed by the gentleman from Tennessee [Mr. GORE] for an over-all ceiling; but at that time, as you remember, the President succumbed to pressure groups, ordered his followers to oppose this legislation, and it was defeated on the floor. Much of the trouble now before us might have been avoided if we had faced facts realistically at that time.

Leaving out the question if the Little Steel formula has not already been broken; leaving out any question if this rigid formula is the best one; let us ask ourselves whether the proposed subsidies would, in the light of wages which are being paid, justify our adding these sums to the real wages received by the workman.

The subsidy program will amount to about a cent and a half per person per day, if we take the figures presented to the Banking and Currency Committee of what is planned, or perhaps 3 cents a day if the billion and a half subsidies are put in, as suggested in Mr. Bowles' radio speech a couple of nights ago.

In chart No. 15, placed in the hearings by Mr. Gilbert of the O. P. A., figures supplied by the Bureau of Labor Statistics show a rise in weekly earnings in all manufacturing industry groups of over 35 percent from January 1941, the basic date set to calculate the Little Steel formula, to May 1943.

There are no figures available showing what further rise may have occurred in the past 6 months.

It is true that there are certain elements of our working population who, up to May 1943, had not had as great a rise as that of the cost of living. Municipal workers, school teachers, railroad, and public-utility employees are examples of these classes; but the over-all rise on the average has not been only the 15 percent provided by the Little Steel

formula, or even the 23 percent represented by the increase in the cost of living; but has been 35 percent.

Perhaps here and there further wage rises are justified, but with these figures before us, the passage of the present bill certainly would not justify the collapse of the entire present wage scale.

The weight of evidence seems heavy against a subsidy program, and I will vote for this bill gladly and with good conscience.

Mr. MORRISON of North Carolina. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. What provision of this bill directs or authorizes a subsidy?

Mr. KEAN. None.

Mr. MORRISON of North Carolina. This is an effort indirectly to interpret and control legislation heretofore enacted or which the President claims has been enacted.

Mr. KEAN. What bill that has been passed provides for subsidies?

Mr. MORRISON of North Carolina. I did not mean to go into that, but that is the contention. There is one authorizing him by public proclamation, in reference to strategic materials or necessary materials, to go to the Reconstruction Finance Corporation and get money to pay for subsidies for various things.

Mr. KEAN. The intent of the Banking and Currency Committee when that legislation passed certainly did not include consumer subsidies.

Mr. MORRISON of North Carolina. Then there would not be any law, as the gentleman contends, of course, for them to do what they are doing?

Mr. KEAN. No.

Mr. MORRISON of North Carolina. My question is directed to this situation: What law has been enacted or which they claim you have enacted?

Mr. KEAN. If they have misinterpreted the laws which we have passed, the only remedy, which the Congress has, is to specifically forbid it.

Mr. MORRISON of North Carolina. Why not do it in a direct act then?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I was very much interested in the gentleman's figures as to how much it would amount to per person per day provided they have these subsidies. Does the gentleman have any figures as to how many cents per day it will add to the burden of the average citizen if we authorize subsidies?

Mr. KEAN. Well, the question would arise as to what type of bonds they may sell and how they borrow the money.

Mr. CUNNINGHAM. How much will the cost of subsidies add to the taxpayers' burden per day?

Mr. KEAN. That all depends on the interest charges on the money borrowed to get the money to pay these subsidies.

Mr. CUNNINGHAM. Does not the gentleman believe they would exceed the amount of savings to the average citizen?

Mr. KEAN. Yes.

Mr. WRIGHT. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Pennsylvania.

Mr. WRIGHT. The gentleman has given a good factual account of his own ideas of this program. I do not agree with some of the inferences that the gentleman states, but I do believe his work shows a lot of study. Here is something that occurs to me: The people who believe in your interpretation of this act feel that the price of living, the cost of living, may be raised if we abolish all subsidies and you can hold it there. We who disagree with you feel that once the line is abandoned it cannot be held. I think that is the direct issue between us.

Mr. KEAN. I think the gentleman states his proposition well.

Mr. SADOWSKI. Will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I gather from the gentleman's statement he is not fearful of inflation in the event this bill passes?

Mr. KEAN. No.

Mr. SADOWSKI. The gentleman does not fear inflation?

Mr. KEAN. No; not if the administration makes use strictly of the powers which it has.

Mr. SADOWSKI. Are you and the other Members of Congress who take your position willing to assume full responsibility in the event that inflation does occur?

Mr. KEAN. I am not assuming any responsibility for this administration.

Mr. SADOWSKI. You will have to assume responsibility for the situation that will follow the passage of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

A SUBSIDY EXACTS A TRIBUTE

Mr. PLUMLEY. Mr. Chairman, Benjamin Franklin or somebody said, "Virtue is its own reward." Benjamin Franklin should know.

Anyway, for the last 2 or 3 years I have been talking and voting against subsidies, and now we are coming into our own, for we will defeat the administration's proposals, adopt the committee's recommendations, pass the bill now, and again over a threatened veto—or else the will of the people will be thwarted.

Opposition to the conclusions of the committee is senseless. The policies of the administration to the contrary have been wrong since their inception.

I hope I have not reached that age when I cannot listen to reason or put my opinion against the world. In this instance I voice the sentiment of an overwhelming number of millions of Americans.

I am willing to be shown, and there are plenty to defend me when I say I will admit when I am wrong—much as I hate to do it.

I often think of what Emerson said about consistency, which he called "the hobgoblin of little minds adored by little statesmen and philosophers and divines." And he went on to say, if you recall, that—

With consistency a great soul has simply nothing to do. Speak what you think today—

Said he—

in words as hard as cannon balls, and tomorrow speak what tomorrow thinks in hard words again, though it contradict everything you said today.

I have been the consistent opponent of the administration's doctrine and policy of scarcity which makes it necessary for it to rob Peter to pay Paul as it steals money out of the pocket of one to pay the other while it puts both in debt.

I have talked so many times, here and elsewhere, in opposition to subsidies as proposed by this administration; I have quoted everybody and stacked figures on top of one another so many times in an effort to show the futility of subsidies that I will not presume to say anything more except "I told you so."

We can save this country from New Deal devastation only by defeating its attempts to give the public another hypodermic injection from which the patient, the body politic, if it survives, must recover at great expense of time and money and effort, reduced to taxes which the people shall pay if subsidies are imposed or granted or permitted as a way out.

SCARING THE PEOPLE TO DEATH

The administration has tried to scare everybody to death with threats of what will happen—which will not. Most people know that if the New Deal will only let the law of supply and demand alone it will work out for them the economic salvation of the masses when it gets back its equilibrium after the jar of the New Deal subsidies. It always has; it always will.

The New Deal monkey wrench thrown into the cogs of rationalized living has done the world a definite damage from which it will take a century to recover.

None of its experiments has been new. Its audience has been new, and inexperienced. Just why a dollar paid as a subsidy will buy the common sense of a people who eventually must pay the bill is a question no philosopher can, will, or should try to answer. But, as Abraham Lincoln said, "You can't fool all the people all the time."

The time has now arrived for the multitude of common people to use the sense God has given them. They know you cannot get something for nothing and that if you are bought you are sold.

Subsidies are an insidious sop to soak up the support of those who never have contributed any real effort toward the uplift of mankind or the benefit of themselves. What you get as a subsidy

you pay for tenfold as a tax, and those who have to pay the bills while the blood-suckers on the body politic grow fat at the expense of the multitude.

Subsidies are wrong ab initio and always—especially so in the instant case. Those who most strongly urge their adoption do it as they would resort to the use of a life preserver, in a last extremity.

Let me tell you if the American Republic as a patient ever recovers from all the experimental doctrination attempted, and/or all the experiments tried out on the body politic during the last 10 years, it will be because God loves America, in spite of and not by reason of anything the New Deal has done to conserve and to preserve the most outstanding example of a government of, for, and by the people the world has ever known.

God save the State.

Mr. BROWN of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I have a good idea that in the peaceful days that will follow the strike of World War No. 2, when the researchers through these distant years begin to look back and find the point at which the breakthrough of inflation of World War No. 2 occurred, they will put their finger on today's CONGRESSIONAL RECORD.

I believe they will determine with statistics and logic that there was one agency and one agency alone, the United States Congress, if in possession of the judgment and the courage that the day demanded, that could have stemmed this tide against the disaster of inflation that marked World War No. 2.

POWER POLITICS AT WORK

I believe they will write that powerful groups composed of labor, industry, and a few farm organizations all leveled heavy artillery on Congress and that we faltered and fell back and retreated from a line that was destined to protect all against inflation.

The constant din for higher and better prices, bigger and better wages, is heard on this floor from day to day. I rarely remember when a Member took the floor to argue that some specific price was too high. It is generally the same. This price and that price are always not high enough. Some prices somewhere in this big scheme of things must have been placed at too high a level.

Once in a great while the complaint, of course, is vaguely made that the general cost of living has gone too high, and for that they simplify the thing and say that O. P. A. is to blame. I do not remember many Members of Congress putting our fingers on any of these specific prices and charging the blame up to them. Yesterday it was the same story—the reason the cost of living has increased was claimed that O. P. A. has blundered.

PERFECT JOB IMPOSSIBLE

I do not believe you will ever have perfect price control. You and I and other Members have always said that you could not have the Government running business because you could not col-

lect in Washington any set of brains that could run this complex and confusing economy of ours satisfactorily. Now when we find ourselves in the greatest World War of all times, spending \$250,000,000,000, we know we have to have wartime price and ration controls. I do not think we need to argue that point. So is it unusual, is it expecting anything that we did not know before, when we find that the very thing we had always said comes true in this war?

MUST BE TRIAL AND ERROR

It is bound to be a system of trial and error. We are flying in an unknown field in order to try to get through this war without the disaster of inflation ruining our economy. I think it is to the credit of the committees of this Congress that they are active and alert and alive and investigating and turning up the errors that they find. I have been glad to see that many of these errors turned up by these committees have been corrected. In spite of the shortcomings—and there have been thousands and will be thousands more of mistakes—the fact is that the end result we have gotten has been that the cost of living has risen only half as much in World War No. 2 as it did during World War No. 1 in the same period. Bear in mind that World War No. 1 was a \$25,000,000,000 war, and World War No. 2 is a \$250,000,000,000 war. The stresses and the strains on our economy are ten times as great as they were in the World War No. 1 period.

GOOD POLITICS TO CONDEMN

I have been in politics long enough to know that it is pretty good politics to go before any group and stand up and cuss and damn the O. P. A., and hear the applause ring to the rafters. I know that and you men know that. You can always win a popularity contest back home by making that speech at almost any group and almost any gathering. I know, too, those with something to sell are always going to feel that they have been discriminated against on their one price of the thing they sell, overlooking the fact that they are protected on a thousand prices of the things they have to buy.

Yes; it is good politics to cuss and damn the O. P. A.—it is good politics as long as the price line is held, as long as the dam stands to keep this onrush of devastating inflation from swamping everyone that is caught beneath that dam, and that is the majority of the people in this country. It is the majority of the little people who do not have great enough earning power and only their tiny savings who will be crushed by this tide of inflation.

WHO IS RESPONSIBLE?

Let all the controls be swept away, break down your ceilings, and let prices skyrocket, and the folks back home will sooner or later look up in the RECORD and see who did it.

I think today Congress stands on the very threshold of inflation. We are about to break in disordered retreat from a line that has been held reasonably well for over a year's time. That line was

held fairly well on prices and it has held pretty well on wages. But now because Congress finds less than a dozen prices in the squeeze, and because one buccaneer with a pistol at Uncle Sam's head, John L. Lewis, forced infiltration in the wage line—and I do not deny it—I do not think we ought to surrender and say that all is lost and we must retreat and withdraw.

OUR DUTY TO FIGHT

I think it is Congress' duty to stay here and fight this thing out. I do not think we will be doing our Nation the service we owe it if we say, "Yes; everything is lost. Let us retreat and see if inflation can catch up with us."

Today we are in sight of victory if we had the judgment to perceive it. We need to beat back the counterattack by two powerful forces, one on the price flank and one on the wage flank. We can win this fight. Congress is the only power in this Nation strong enough to do this fighting. If we fail, I hate to think of the consequences.

We need to beat back, first, this attack on the price flank, for if we lose, there we unhinge our line, and must fall back on the wage flank as well. The two are tied together. You cannot retreat on one without retreating on the other.

LIVING COSTS GO UP

It is proposed here by section 3 to withdraw one of the weapons that are helping us to hold the price line. To withdraw and deny the use of subsidies abruptly on December 31 will increase the cost of food by 7 percent and the cost-of-living index by 3 percent. I would be glad to go along with any plan suggested by either side of the aisle if they can give us any plan other than subsidies that will prevent this precipitous and disastrous price raise from taking effect on December 31.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I have very limited time, but I will yield for a question or a very short suggestion if the gentleman has one.

Mr. MURRAY of Wisconsin. If that is the case, does the gentleman think that the approach to the flour or the bread problem can be met by a \$100,000,000 subsidy at a time when we have an embargo against any wheat even coming into our country?

Mr. MONRONEY. I certainly think it can. I am going on now with my talk, because I do not have very much time.

It is true that we can let these prices go up in the market place, and that is what this bill proposes, but when you do you break in disordered retreat from the wage line.

NINE HUNDRED MILLION VERSUS FIVE AND ONE-HALF BILLION

It is true that we can avoid spending \$900,000,000 a year in subsidies. We can let butter go up 9 cents a pound, milk a cent a quart, sugar a penny a pound, bread a cent a loaf, and meat from 3 to 5 cents a pound, and so on, but do we actually save this money? By withdrawing the subsidies we do not save, since the wage flank moves forward

to cost us, not the \$900,000,000, but five and one-half billion by breaking the wage line, the direct governmental cost of this maneuver.

I say now to my friends on the left is anyone so childish as to believe this administration will keep wages frozen at a point 10 percent less than its wage formula?

FORCE UP WAGES TEN BILLION

Be realists and you will admit that all wages will move upward unless Congress holds both flanks. Abandoning this line that has held for more than a year means that you will not soon find another position on which you can hold, for immediately after your wage line is broken by 10 percent, it is already obsolete. Its immediate effect on the cost of living will so skyrocket living costs that another increase and another and another still occur as higher wages bump up the cost of all production. Your war costs, for, after all, the Government is the biggest buyer in the market, will be increased not by a billion, but by ten, twenty, or even one hundred billion before the cycle has run its course.

Bear in mind Uncle Sam is the biggest buyer of food and all production. He is buying 55 percent of production of goods in this country. And when you raise the cost of that wage bill on that 55 percent you surely increase the cost of war first by \$5,500,000,000 and on down the line in jumps of \$5,000,000,000 and \$10,000,000,000 as we further retreat before inflation.

MUST LIMIT SUBSIDIES

I am not advocating the unbridled and unlimited use of subsidies. I have listened patiently to all the hearings. I think one element we all have against subsidies is the fear they will be abused and misused. I agree they are dangerous and their widespread use is inflationary. We have here a choice between two evils—inflation or subsidies. I do believe they are one of many weapons necessary to be used if we are going to control inflation. I believe it is the duty of Congress to proscribe and limit the use of these subsidies rather than to oversimplify this complex situation and to bar their use completely. I have tried to devise ways to develop and prohibit unlimited and ill-advised subsidies, and I am going to propose an amendment under the 5-minute rule.

THREE LIMITATIONS

I first propose to limit it as to the amount. I propose to limit it to \$750,000,000 to be spent between January 1 and September 30, 1944. That is barely enough to cover the present program at its present level, and to include the pending subsidy on bread and flour which will cost from \$65,000,000 to \$100,000,000 a year. This is \$200,000,000 less than the amount they say they need in order to do this job, but we have practiced economy oftentimes in this Congress by cutting those estimates far below what officers think they need. We find we get better dollars-and-cents value when we do it.

CONTINUED TO SEPTEMBER 30, 1944

As to the program continuing after the war or continuing after the need for subsidies is nonexistent I think we should make the time expire early for the use of any subsidies.

I propose to prohibit their use after September 30, 1944. The reason for that date, and I would like to have them expire earlier to have them come back to Congress sooner so we can check on it, but, gentlemen, we have to get these programs through the crop-growing season and through the canning season. It would be foolish to cut them off on June 30, the date when the Price Control Act expires, because it would leave our whole war-production program in a state of flux and uncertainty. So I believe that when the Congress takes up the Price Control Act on June 30, 1944, we can then determine this issue of subsidies, whether to continue the act or not, in the light of the conditions at that time. But I think we should then taper off our subsidy program so as not to abruptly disrupt and dislocate our vast war-production economy.

MUST HOLD WAGE LINE

One other point I have there in addition to the money limit and in addition to the time limit is, if the general upward adjustment of wages is ordered, if your Little Steel formula is broken, then I do not believe you ought to pay subsidies. There is no need in the world for paying subsidies if you break the line on wages. And my only reason for advocating subsidies today is to help us hold this wage line against this \$10,000,000,000 break. That, I know, will destroy our whole economy and will surely occur by this exclusion of subsidies. We help the President hold the line on wages through my amendment, because if this line is broken on the Little Steel formula, then the authority to use subsidies is gone. He can show labor and others who today are demanding the abandonment of our line against inflation, this absolute prohibition against use of subsidies if the wage line is broken. Thus, their gains would be illusory and their relative purchasing power not increased. This amendment, I feel, gentlemen, will work for stabilization and not against stabilization.

DISLIKE UGLY WORD

There are many here, and I also, personally, who dislike the ugly word "subsidies." I hate the sound of it, but I do not hate it enough to make me deny the use of a weapon that I think is highly important in this terrific fight to prevent destruction of the value of savings, insurance, bonds, and the standard of living of Americans.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 3 additional minutes to the gentleman from Oklahoma.

Mr. MONRONEY. I want to thank the acting Chairman [Mr. BROWN] who has been very courteous and kind to the minority Members on this issue, and it is indeed appreciated.

MAY NOT VETO BILL

One other point I would like to make. I am not accusing anybody of playing politics on this thing, because I do not have any such information. But I do believe, however, that if some Members are going to vote against subsidies on the theory that the President will veto the bill anyway, thus saving them from the backfire of skyrocketing living costs, they are playing with fire.

It might be shrewd politics to please both sides, the millions who are strongly against subsidies, and not incur the terrible complaint of crushing advances in living costs, if you were certain that the President would veto the bill.

I am afraid that those who might consider this will be playing with Roman candles in a powder factory. No one can say for certain that the President will veto the bill so you can have your cake and eat it too.

The situation is not the same as it was when the first bill was vetoed in June. Bear in mind, in June there was only one labor leader then who was willing to sacrifice the stabilization program in his demand for higher wages. That was John L. Lewis.

Today you have dozens of powerful leaders of American labor, insisting and clamoring for increases to break the wage formula because of this Lewis raise. The wage formula has never been under such pressure since it was instituted and now stands in grave danger of collapsing.

WAGE FORMULA ENDANGERED

The President, perplexed, worried, and troubled by the most difficult labor situation this administration or a commander in chief has ever faced, is liable to have to break the line. By Congress breaking the line first on prices, by retreating in the fight we almost force a break in the line on wages. So I would not be so sure, if any of you are relying on this Presidential veto, that that will be the thing that will occur. Congress will be leading with its chin if we pass this bill now, while the wage situation is so critical, we pour gasoline on the fire of inflation. We must be prepared to accept the blame and the Nation will so place it.

Today is the day to strengthen his hand by helping him to hold the line, not only on prices, but on wages as well. We can hold the line by not being afraid of the ugly word "subsidies." We can hold the line by opposing powerful groups that are now seeking to make more money out of this war. We can hold the line by being politically unpopular in the fight against inflation. We can save this Nation from the disastrous spiral that inflation will cause.

This insurance will cost us \$750,000,000 for the next 10 months. That is less than 1 percent of our Government's annual expenditure. We are insuring against the spiral of inflation by making this investment and if we can underwrite the risk on tens or hundreds of billions of dollars of potential and impending inflation, it is a mighty good investment.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONROE], has again expired.

Mr. KEAN. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, the experience of foreign countries seems to demonstrate that our subsidy program is bound to be much more expansive and expensive than you have been led to believe.

Two years ago I opposed both the Henderson and Baruch plans for price control. Before we voted on those plans in the Banking and Currency Committee, I offered a substitute policy of my own which would be less of a strain on the country. It consisted of having the administration set aside a broad field of luxuries which there would be no attempt to control, some of which in fact, Government would actively encourage to rise in price. Under my plan, government would concentrate on the control of food and other necessities required for the war and for keeping the citizens of the country in good health for the duration, these commodities being permitted to rise in price sufficient to get necessary maximum supply. Since only eight members of the committee voted for my plan, I did not offer it on the floor, not wishing to hurt a good cause by premature presentation but since have privately tried to persuade key officials to adopt it since they already have the legislative power to do so if they choose. Luxuries, by this plan, could help pay for the war since luxuries would then become the escape valve for inflationary money.

I learned only recently that England uses a Spartan policy, described herein-after, which is much like the policy I devised except that it affords less relief to taxpayers.

This summer, when the Commodity Credit bill was before our committee, the committee voted to strike out the provision similar to the one embodied in the present bill linking prices to parity and substitute instead an amendment I offered embodying one feature of my original plan—to the effect that prices of foods be permitted to rise to the extent necessary to secure adequate production. The committee, however, before bringing the bill to the floor, reversed itself on the question in an informal meeting called for the purpose, though I personally still prefer the previously adopted amendment, since it did not extend price increases to less essential commodities simply because of their relation to parity.

I deeply regret that my whole plan has not been adopted, because it would mean less deficits, less taxes, less pressure to sell bonds, fewer shortages, fewer strikes, and fewer economic troubles stored up for the future, though, to be sure, it would also mean that individuals would not buy so many luxuries and would probably buy more bonds instead. The present price-control policy, which uses Government manpower and money to control the prices of such luxuries as imported wines, seems to me to be utterly unfair to the future generations.

The questions hereinbefore referred to, of course, have no bearing on the subsidy issue except that under my plan you would never find the Government paying subsidies for luxuries, as you are

likely to do under the present plan, which is like Canada's. In Canada there was such a vigorous public protest that the Government was forced to give up paying subsidies on grapefruit, leather goods, and a long list of articles the public considered luxuries, which means that Canada will gradually have fewer of the luxuries they could just as well have under the British or my plan. The Canadian Minister has publicly stated that is what it will mean.

This time we had before us Dr. Gilbert, Chief Economist of the O. P. A. Although he vociferously favors consumer subsidies and, under present circumstances, I oppose them, I found that we were able to agree upon the principles involved. We agreed, of course, that the large amount of money now in the hands of consumers is a potential threat of runaway prices. The National City Bank, by the way, in its recent bulletin, points out that the so-called inflationary gap is by no means an accurate measure of that threat. A certain psychology—for instance the feeling that money is to become cheap as spinach—might suddenly cause people to cash in their Government bonds and use a much larger sum of money than the estimated inflationary gap and start buying tangible property sending prices into a panic of increases.

We agreed that, given enough money and police power, O. P. A. can maintain the rigid general price ceiling—though I learned later that even Germany with an indomitable Gestapo has not been able to maintain the rigid price ceiling. Even there prices have risen, it is said.

We further agreed on the important and incontrovertible principle that if rigid ceilings are maintained some relief is going to have to be given because costs, due to war strains, are bound to rise in an increasing number of instances. This principle was well stated by the Canadian Minister of Finance, Hon. J. L. Ilsley in April 1942:

The necessity for subsidies or their equivalent arises from the fact that the costs of providing goods or services to the Canadian consumer cannot be completely controlled or from the fact that in some cases these costs were actually higher at the time the ceiling was imposed than the level of costs that were then being reflected in the prices charged. * * * Insofar as these costs rise beyond the amount which the industry can absorb with fixed prices, we must either do without those goods, or raise the ceiling on their prices, or else pay subsidies or take some equivalent action to meet these increased costs.

Dr. Gilbert agreed that because such cases multiply, regardless of what you might pay for subsidies next year, the following year the amount of the bill for subsidies would probably be greater. If you adopt the consumer subsidies relief policy you have a debt spiral and if you adopt the price increase technique for giving relief, you get a price spiral.

The chief reason, it seems, that Dr. Gilbert advocates using the subsidy technique is that he honestly fears the reaction of organized labor to any price increases. He feels that if prices of such essentials as milk and meat are permitted to rise to the extent required to

give relief from high costs and get adequate supply, it will be a signal for serious strikes in essential industries.

This very same labor argument which induces Dr. Gilbert to favor subsidies is the one which persuades me that we should vote against subsidies and use the price increase relief technique instead. As I see it, the fact that organized labor is capable of exerting such tremendous pressure against increased prices means that if the administration adopts the price instead of the subsidy technique, O. P. A. will be careful to raise prices only sparingly. The administration has always used a cheap food policy even before the war, never encouraging prices to go beyond parity until the war started. With a vigilant labor group pressuring constantly against increased prices, the O. P. A., you may rest assured, would not permit much of a price increase. Even now when they would get a more nearly adequate supply if in a few cases they raised price ceilings slightly, they seem to prefer shortages.

Today, for instance, on the agricultural front, only a few price increases seem to be needed—beef 3 cents, corn around 20 cents, and milk, a cent or two in some areas. In the report of the Gaumnitz Food Advisory Committee, appointed by Secretary of Agriculture Wickard this year, which, for some reason, was suppressed, only the summary on the first page being given to the public, I find that they estimate that an additional 7,000,000 bushels of corn might be made available.

Living on a commercial grain producing farm, I am convinced from personal observation that such a price increase would substantially increase the amount of corn production. I am equally convinced, however, by the Government officials themselves that they will not grant any such increase, preferring apparently to let the country try to survive the so unnecessary shortage though the rather drastic food report of the Gaumnitz Food Advisory Committee says:

The United Nations have not even been holding their own: Food stocks have declined steadily to the point where there is no more than a small operating reserve in any commodities except sugar and wheat—and wheat reserves will probably be depleted in the next 2 or 3 years at the present consumption rate.

Therefore, I believe that if the price-increase technique for giving relief were voted there would not be much of a price spiral. I believe, on the other hand, that if the administration is given unrestrained power to use the subsidy technique, the debt spiral will be large indeed. Organized labor never has exerted political pressure against Government spending and no other group has exercised effective pressure against it. The administration has always spent lavishly and even wantonly. Dr. Gilbert himself is coauthor of the so-called New Deal bible, entitled "An Economic Program for American Democracy," which advocates unlimited spending. Dr. Gilbert, who has been called the master mind of O. P. A., has such a flexible mind that I feel sure he does not advocate unlimited spending now. In-

deed, he said he wanted to spend not more than \$1,000,000,000 next year for subsidies. You and I know, however, that with power given them to spend as they please, those higher than Dr. Gilbert would not harken either to him or anybody else who advocated reasonable limits on the subsidy spending.

The way the subsidy program is likely to expand, even if we had the less expensive kind of program England has, may be observed if you study the English program. In England the conditions are almost ideal for using the subsidy technique in a restrained manner. England is small. No citizen there lives far from the capital as our citizens do, therefore, mistakes can be noticed and corrected quickly. Much of the food supply is imported, easily controlled by government from the time it reaches the ports of entry. England receives cheese and several other foods under lend-lease. No subsidy from the British Government in such cases need be used. There is in England, moreover, a traditional civic resistance against Government extravagance. Since, for the duration of the war, there are to be no elections there is no temptation to grant lavish subsidies as a means of winning elections. Since England does not control the prices of luxuries, there is this broad field where there is no reason to grant subsidies. The British Government even stopped giving subsidies on bacon—ham—leaving it to reach the natural price.

England, please note, has no formal "hold the line" order, no rigid general price ceiling, and no artificial wage dam like the Little Steel formula which looks so noninflationary on paper but which, quite obviously, permits inflationary wage increases in numerous cases where unnecessary and refuses wage increases in industries where higher wages would increase needed supply and often might reasonably be absorbed by the industry concerned instead of by consumers.

Price control and other forms of regimentation which eliminate economic freedom are, of course, most easily administered in countries where the people are living in a state of fear as in Russia or Germany. Repeated bombings give British citizens, presumably, something of that state of fear which enables officials to control prices effectively and refuse unnecessary subsidy requests.

Operating on the theory that the rich can afford to pay their own living expenses but taking care that the poor do not suffer for lack of money to pay for essential goods, England stopped trying to control the price of milk. The price of milk, it should be noted, however, did not rise very high when price ceilings were released. Instead of using a subsidy which would help pay the milk bill of every citizen as our Price Administration wants to do, England has subsidized only milk for children under 5 and for nursing and expectant mothers, issuing these groups coupons permitting them to buy specified amounts. Children at school get one-third pint of milk a day. In all 3,000,000 persons have been benefited. England, by the way, also has

canteens supplying food for defense workers.

Britain has used the kind of policy which I have always advocated, letting luxuries rise in price so that those who buy luxuries help pay for the war. She has readily permitted wage and price increases where deemed advisable. She has concentrated her efforts on getting an adequate supply of nutrients, giving Government aid only to those who need it. In England, as in Germany, some subsidies are not paid with Government money but are paid out of a pool made up by levying a charge against those who buy low-cost materials for the benefit of those who have to buy high-cost marginal materials. England, like Canada, has used some ingenuity, removing tariff duties so as to eliminate the need of price increases, instead of actively causing inflationary cost increases as our Government does, an example being the way our administration imposes a 3-percent transportation tax on all commodities—4 cents in the case of coal.

Since the British use a policy which is more sensible than that used by our administration, they have much less need or temptation to expand subsidies under their plan than our Government. Even under these almost ideal laboratory conditions, however, their subsidy system has grown in a manner which should completely disillusion us of the hope that in America the use of subsidies will not spread. In England the subsidy system has expanded to this extent:

First. At present 90 percent by weight, of the foods in the cost-of-living index are subsidized.

Second. Subsidies have been extended not only to farmers but also to middlemen, factories and retailers. There is even a subsidy for fish which enables citizens who live in middle England to get fish as cheaply as the next-door neighbors to the fishermen.

Third. Wages are subsidized—the largest wage subsidies going for agricultural and mining wages. They pay, for instance, \$80 per acre for flower gardens turned to vegetable gardens. Cost of "plow-up" subsidies not included in cost figures given below.

Fourth. They have found it necessary to have renegotiation of subsidy contracts—essential, they feel, to prevent rank injustice to British taxpayers. Recalling the amount of protest against renegotiation of contracts here in America when relatively few contracts were affected, you know ahead of time what pressure there will be against economizing by means of renegotiation.

Fifth. In England, where officials never loot their own taxpayers—the cost of subsidies for that relatively small country has been enormous: \$232,000,000 in 1940, \$320,000,000 in 1941, \$510,000,000 in 1942, and \$600,000,000 in 1943.

Now, after comparing the two countries and their policies, how much chance do you think there is of holding down subsidies in America to any \$1,000,000,000 a year for next year? \$5,000,000,000 or \$10,000,000,000 more likely. Frankly, I am afraid to trust this administration with a subsidy relief policy. I would

not, on the other hand, trust a Coolidge or Hoover administration with a price-increase relief policy. Only the President can alter personnel. Where, as here, it is consistent with good principles, Congress can and should fix the policies to fit the personnel.

At the time our committee first held hearings on price control I requested an historical survey and was jovially laughed off with the remark that Hammurabi started it. We need a historical survey. In his book showing the way the political experiences of today duplicate those in old Rome, Helperin gives you a glimpse of how human nature works under a consumer subsidy. It seems that Gaius Gracchus won popularity by subsidizing the price of wheat. A classic joke of the period referred to the way rich people stood in a queue getting their share of the cheap wheat the same as the poor people. Subsidized wheat, though occasionally withdrawn by economy-minded officials, became so popular that political candidates promising cheaper and cheaper wheat tried to outbid one another in order to try to win elections. Soon the government was giving free wheat. Finally subsidized wheat became hereditary and permanent.

Today, to be sure, taxes hurt more people and bond sales are deducted from pay rolls. In some areas, chiefly the rural ones, citizens, grown tired of taxes and Government bond salesmen who threaten to paint their barns yellow and threaten to reveal the amounts of bonds purchased, are mutely irate against Government extravagance. It may be some time before the feeling against Government spending becomes general and even longer before Washington officials realize that the feeling is general since nowadays people prefer to muffle their objections.

Probably the Government will not waste on this program anything like the amount it wastes in foreign countries, but the subsidy waste will be here in America where American citizens can find out about it, with their own eyes and ears and, as soon as they have the opportunity, reveal their sentiments behind the curtains of the polling booths.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I am sure we are all grateful for the erudite and informed discourse of the gentleman from Illinois [Miss SUMNER], who preceded me. I am sure also she will not mind if I do not agree with her conclusions. I do feel that from her illuminating study of the British situation you can draw this conclusion; which is, whenever the Government steps in and tries to regulate the national economy, there are bound to be a multitude of headaches. They have their own headaches in England; their own comparative successes and their own failures in part. That is the way we should approach the program that we have here.

We have achieved relative success in our stabilization program in that our prices have not spiraled nearly as fast

as they did in the last war. We have partially failed to achieve success insofar as certain individual food programs have not worked out as well as we would like to have had them work out. I do not think we can avoid this imperfection. It is just one of the headaches that are incident, as my colleague from Oklahoma has said, to this \$250,000,000,000 war. We are in the middle of an all-out war and what we have to try to do is to honestly see the best way out of it.

I agree with some of the reasoning the gentlemen on the other side of the aisle have given. They have spent a great deal of time on this problem. Where we leave each other—and I think this is the fundamental issue between those who believe that subsidies should be continued with limitations and those who believe they should be entirely abolished—is that we who are convinced it would be dangerous to discontinue subsidies at the present time, do not think that the rise in living cost can be stemmed immediately if the preliminary breach is made. Regardless of justification or regardless of all our hope to the contrary, wages will go up, as well as all prices. Not merely the price of those commodities which are now being subsidized will go up, but because of the tremendous pressure by industry, farm, and labor, that once the line is broken, once this Maginot line is broken, or the Dnieper line, or whatever line you may wish to call it is broken, we may not find another secure place at which we may be able to hold it.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. MORRISON of North Carolina. This law does not authorize or direct the payment of a subsidy, does it?

Mr. WRIGHT. I may say in answer to my distinguished friend that it does forbid the use of the funds of this Corporation or of any other Government corporation for the payment of subsidies, with the exception of certain subsidies which are still permitted to continue.

Mr. MORRISON of North Carolina. But they are not in controversy.

Mr. WRIGHT. They are not in controversy.

Mr. MORRISON of North Carolina. Then I ask if there is any law that anybody claims goes any further than to authorize the President, through the agencies of our Government, when he thinks it strategically necessary, to use these subsidies; there is no directive law or imperative law requiring anybody to pay them, is there?

Mr. WRIGHT. Oh, no; and there is a difference of opinion as to whether the present law even permits the use of them. I personally feel that a fair legal interpretation of the existing law permits subsidies, but there are some arguments that can be put up on the other side. We had that dispute in the committee.

Mr. MORRISON of North Carolina. I surmise that many people may be like me. I am perfectly willing to authorize the payments of subsidies and the use of subsidies when it is strategically nec-

essary, but I am not willing to vote to directly appropriate one, of my own knowledge, on the subject involved.

Mr. WRIGHT. I do not think any one of us wants to do that at the present time. I believe the President has now, under the laws we have passed, the primary responsibility of stabilizing our economy. You gentlemen who feel that if we do forbid subsidies we shall be able to hold some line which will be a brake against inflation, I believe, will have to admit that by adopting this bill as it is now written we ourselves assume the responsibility that this line can be held at some other point. The best advice that I can get is that the use of subsidies at the present time is necessary in order to keep our economy stabilized. There is a possibility that those who are opposed to subsidies are right and I am wrong. I never am so conceited about my own reasoning processes as to preclude the possibility that those who disagree with me may be right. But I frankly am not willing to take the chance—I am not willing to take the chance of plunging this country into an inflationary spiral which I am afraid will result if we adopt this bill as it is now written.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. BARRY. Does it not seem inconsistent to the gentleman that the members of the Banking and Currency Committee who are opposed to subsidies now have supported a provision of the Commodity Credit bill to continue subsidies 2 years after the war to guarantee farmers 90-percent-parity loans?

Mr. WRIGHT. I may say in response to the gentleman's inquiry that there may be an inconsistency there. I would not want to explore this thought except to say I am in favor of stabilizing post-war conditions for the farmers, and I want them to extend the same concern to those who are not farmers. There are more than 30,000,000 people who still are not as well able to meet the cost of living from day to day as they were 4 years ago, and to take this weapon of subsidies out of the hands of the President is after all to take away the only means whereby those who need this help very badly may obtain it.

Mr. MILLER of Connecticut. Mr. Chairman, will the gentleman yield for a question?

Mr. WRIGHT. I yield.

Mr. MILLER of Connecticut. Can the gentleman explain how this program could be held to \$800,000,000? Is that the increase in the total cost of living or the cost of food?

Mr. WRIGHT. Does the gentleman mean would that result if subsidies were withdrawn?

Mr. MILLER of Connecticut. No; if we were to allow subsidies and spend \$800,000,000; or, to put it the other way around, if we withdraw that right to spend \$800,000,000.

Mr. WRIGHT. I think I understand the gentleman's question. The best figures I have been able to obtain show that a prohibition against subsidies would

cause an increase of something over 7 percent in the food index or a little over 3 percent in the cost-of-living index.

Mr. MILLER of Connecticut. I am at a loss to see how \$800,000,000 could account for 3 percent of the cost of living.

Mr. WRIGHT. I am not an expert at figures. I see my statistician, the gentleman from Oklahoma [Mr. MONRONEY] here. I shall be pleased to yield to him to answer the question. I may say to him that the gentleman from Connecticut has asked me how the expenditure of \$800,000,000 could result in a saving of 3 percent in the cost-of-living index. I yield to the gentleman from Oklahoma to answer if he cares to.

Mr. MONRONEY. You get one-half of 1 percent decrease in the cost-of-living index for the investment of a limited amount in your butter subsidy, for example, which at the present time is running at \$82,000,000. That expenditure decreases your cost-of-living index by one-half of 1 percent. Your cost-of-living index is based on in some cases what we in merchandising call loss leaders—those are the meat, butter, bacon, and beans items that are highly rated in everybody's individual diet. By working on those specific things which are absolutely essential you do get a terrific influence on your cost-of-living index.

Mr. MILLER of Connecticut. Does the gentleman know that the butter and meat subsidies now account for 3 percent?

Mr. MONRONEY. No. I will be glad to give a list to the gentleman.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would say on the butter proposition that the saving is more than the subsidy because a lot of people cannot buy butter, so they save the entire purchase price of butter.

Mr. WRIGHT. The gentleman is assuming that the subsidy program constitutes a handicap to agriculture, and although we had witnesses before the committee who said that, when they were asked to develop the thought, I was not able to get any convincing answer as to why subsidies would interfere with production.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that the subsidy plus other restrictions put on by different agencies have resulted in a decrease in the production of butter and a scarcity of it in the market.

Mr. WRIGHT. The gentleman may be correct. I know he has a good bit of experience in those things which I do not pretend to have. Somebody did say something that appealed to me, and that is it does not make any difference to the cow who pays for the milk. In other words, the question is merely who is going to pay for the product, whether the Government is going to pay a portion of it or the consumer is going to be asked to pay the entire amount. Subsidies have nothing to do with production. They

enter only into the payment for goods which are produced.

I have one more thought I would like to develop before I conclude. I do not believe you can hold the price increase to those goods on which subsidies are now paid. Once the line is broken I am certain a general increase in food prices will result. More than that, at the present time you have your wages and your food prices geared together. I do not think any person who has any sense of realism can say today that if we have an increase in living costs which will bring the cost of living up 10 percent above the 15 percent contemplated by the Little Steel formula you are not going to have irresistible demands for increased wages. Furthermore, if you do not grant these increases in wages, you are going to impair the production of necessary war material.

Mr. BUFFETT. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I may say to the gentleman in reference to the production of butter that the most important thing is whether or not we get production. If the farmer will not milk the cow, we are not going to get the butter, and the farmers seem to be pretty generally against the program.

Mr. WRIGHT. I think there is a good bit of sentiment by the farmers against the program, but I do not think it necessarily goes to the question of production. I feel that the farmer does not want to see the people who are living in the cities get what they consider an unfair benefit and I am trying to point out that I do not consider it an unfair benefit.

Mr. MONRONEY. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. In the hearings a great number of leading dairy representatives were questioned on this point, and it all came down to the proposition that they were psychologically against it, they did not like the idea of paying subsidies, but in no case could they say where subsidies decreased or detracted from our milk production to make up for a price rise in the market.

Mr. WRIGHT. I think that is right.

Mr. WALTER. Will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Did I understand someone to say that the farmers are on a strike?

Mr. BUFFETT. I would like to answer the gentleman's question.

Mr. WRIGHT. Mr. Chairman, I want to proceed. As I say, the primary responsibility now is on the President. If we pass this bill we assume the responsibility of saying that in doing so we will not precipitate inflation. Maybe it will not, but that is a chance that we are taking, and from the advice that I have obtained from people who I am sure know more about it than I do, I do not want to vote for this bill as it is now written and take that chance. I do not want to be responsible for the War bonds that are being bought by our

people being paid for in depreciated dollars.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, in my first participation in general debate in this Congress I would not want to make a partisan speech. There is every reason why this debate should not be partisan.

I shall discuss only one phase of the pending bill: The effect of section 3, prohibiting subsidies, upon farm income and farm interests, and I wish to emphasize the long-range view rather than the consideration of immediate advantages in supporting some amendments to this measure.

We have proceeded a little more intelligently in the debate today as we have shaken off some of the enslavement of words. I am aware that the feeling against the word "subsidies" is strong, but I hope that those who supported the committee report will give us of the committee minority credit for being entirely honest and fair and seeking to add a degree of clarity to this debate by accepting the handicap that we have in defending food subsidies.

You may even use the words "consumer subsidies" if you like. Uncle Sam, himself, is a tremendous consumer, buying almost \$5,000,000,000 worth of food every year. If you object to subsidizing a consumer on the market, you have the other alternative of subsidizing with Uncle Sam's money the profits that are made by certain distributors and processors who are going to ride upon the inflation wave that you are setting in force. One of the clearest demonstrations of the fact this has not been weighed carefully by the committee is the windfall profits that are here for some of the sugar producers, a windfall profit that they are not entitled to. It is a subsidy pure and simple, and is but one illustration of the fact that we are going to authorize some unnecessary price rises if we do not change this bill.

I wish to make these points in support of my opposition to the sweeping ban on subsidies: First, section 3 limits the power of the Commodity Credit Corporation to fix support prices without reference to price ceilings by abandoning farm production as the moving consideration in the price-support policy and tying the program to consumer price ceilings. Second, it will work against the farmer by causing an immediate and conceivably a very damaging increase in the price of everything he buys. Third, it will further encourage an inflation in land prices which is already threatening to parallel the disastrous experience of 1920-21.

Now let us examine the section dealing with the relation of support and ceiling prices. The nature of the bill is very clear. It does provide that ceiling prices shall not be below the support prices but there are certain administrative implications that must be very clear. We have no right to assume that the administrators will act arbitrarily. The Price Administrator must operate under the mandate of the stabilization laws. We have

said to him, "Hold the line," and surely other agencies of the Government would recognize that the primary responsibility in that program is his. Undoubtedly, the time will come when it will be desirable in the case of certain commodities to provide an increase in the support price. Under present arrangements, the mechanics of the price support program are responsive to the Food Administrator's orders in that respect. Potential losses to the Government in ordering mandatory loans will not deter him, and at the same time there is no abridgement of the authority of the Price Administrator. If, however, section 3 stands as reported and becomes law and in the future there should arise a need for increasing mandatory loans, then the War Food Administrator will either set the price up regardless of its effect upon the price program, and thus aggravate the problem on the price front, or he will make concessions at the farmers' expense that ought not to be made. We are creating very painful dilemmas for the War Food Administration.

If this Congress intends to divide responsibility in the price program to that extent, we might meet demands for the same authority from the Petroleum Administrator, from the War Labor Board, and from other agencies that must wrestle with problems arising from the price-control program. If we expect arbitrary action by the War Food Administrator we are saying to Mr. Bowles, "Hold the line, but expect a bulge when food is involved." I say that we cannot expect him to hold the line if we permit the bulges.

We are not going to say to the leader on the Italian front, Gen. Mark Clark, that he shall have control except so far as the left flank is concerned, but that he cannot be sure his orders there will be respected. We have to fix authority and we have to stand our ground on the inflation front.

The second objection from the standpoint of the farmers is that if you remove all subsidies you will impose an immediate penalty on the farmer in the rise in cost of the food he buys. Do you realize that the farmers of America buy on the food markets \$2,500,000,000 worth of food each year? If you have a 7 percent increase in that—and I believe it figures out at \$175,000,000—that is a penalty on him, with no commensurate advantages for him. We must weigh that effect.

Finally, and this is tremendously vital, and so little has been said about it that I shall devote the rest of my time to it, you are going to find abnormal increases in food prices immediately reflected in the land values of this country. The farmers of America have not forgotten the disaster that came to them 20 years ago. Do not fail to note the fact that it is threatening to happen again. The Secretary of Agriculture spoke yesterday of his personal observation of a farm of which the owner said, "This farm is worth \$125 because I have tended it and cared for it, and it produces to that amount." But next door to that farm, just last week a sale was made at what rate? Not \$125, but \$225 an acre. You gentlemen as practical men who know the farmer's language and his problems

know that that was inflationary, that it represents a speculative profit for somebody and that nobody but the farmer suffers when it happens.

We have not forgotten in the South, where three-fourths of all the land transactions in some States in the course of 20 years have resulted in foreclosures and loss of the land to the farmer, that that brings ruin in its wake. So I plead with you to think about the effect of the abnormal increases in land prices which will follow a break in commodity prices.

Farm real estate values so far in this war are increasing at approximately the same rate as during the last war. Furthermore, this increase in real estate values is closely associated with the increase in prices of farm commodities.

The following table in an official release of the Bureau of Agricultural Economics shows comparative figures on the rises in both World War No. 1 and World War No. 2.

[1910-14 base=100]

Year	Prices received by farmers	Real estate values
1914.....	68	103
1915.....	103	103
1916.....	146	108
1917.....	192	117
1918.....	206	129
1919.....	228	140
1920.....	157	170
1939.....	93	84
1940.....	98	84
1941.....	122	85
1942.....	149	91
Mar. 1, 1943.....	182	99
Nov. 1, 1943.....	193	107

It will be noted that although the real-estate values have not advanced to the same height as they did during the last war, the proportionate rise from 1939 to November 1943 was 27 percent compared to the proportionate rise from 1914 to 1918 of 25 percent. Further study of the indexes of prices and land values show, over almost all periods studied, a very close correspondence between the two.

Also associated with the increased prices and the bidding up of land values in both wars was a large increase in the voluntary transfers of ownership between farmers. The number of such transfers was 35 percent greater in 1919 than in 1918 and 75 percent greater than in 1914. The volume of sales during the second quarter of 1943 was 75 percent above the second quarter of 1942. There are indications, therefore, that much of the increased land values are due to speculative purchases and sales rather than to a careful appraisal of future income. Further indications that a considerable portion of the rise in land values is speculative are found in the fact that much of the buying of farm land is being done by city people instead of bona fide farm operators.

So far in this war increased values have not been accompanied by increases in mortgaged indebtedness. But if the increases continue to the peak indicated by the present rise, we may expect a repetition sooner or later of what occurred during the latter part of the last war when farm-mortgage debt had increased by 72 percent from 1914 to 1920, leaving the farmer with a tremendous indebted-

ness to pay off at the moment when farm incomes began to tumble rapidly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Does not the gentleman believe that if those costs rise a little bit a lot of those farmers whom the gentleman is pitying so would get to raising their own food on their own land. They do it in Pennsylvania.

Mr. HAYS. Please let me go on with the land-inflation matter. I am talking about the long-range view, not immediate prospects. But it is a snare and a delusion to think the farmer will gain by a price break. Look at the record.

I have made the point that, in the last war, prices rose rapidly, but when prices were high to the farmer land values were just a little behind them. Two years after farm prices collapsed land values were still high. Prices topple first, and then foreclosures come.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Nebraska.

Mr. BUFFETT. May I suggest to the gentleman that the value of the land does not change, it is the value of the currency with which he buys that land that is depreciated.

Mr. HAYS. Exactly.

Mr. BUFFETT. That currency depreciates just in proportion as the national debt goes up and the deficit increases.

Mr. HAYS. That is the reason we do not want to give him a devalued dollar. We want him to have a good dollar for the price he is getting for his product.

Let me stick to this inflation in land values that has taken place. That is important, the gentleman will agree.

Mr. BUFFETT. Yes, but the thing that makes the price of land go up is the depreciation in the money that is brought about every time you add to the debt or add to the unbalance of national finances.

Mr. HAYS. Does the gentleman think he can add to farm prices without finding that reflected in land values?

Mr. BUFFETT. Prices go up as the money depreciates. It is debasement of the money that is causing our trouble. Every large-scale inflation in history has arisen out of the debasement of currency, and the debasement of currency comes about through deficit financing. We are adding to that every day.

Mr. HAYS. There is not time here to discuss the causes of depreciation. I am sure the gentleman does not think I can take on that question now.

Mr. BUFFETT. Let me make this point, that the very subsidy itself adds to that depreciation.

Mr. HAYS. I thank the gentleman.

Mr. MORRISON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. If the administrative officer working out this whole thing for the protection of the people has the power to raise prices and also the power to use a subsidy, we are not

justified, are we, in presuming that he will use the subsidy all the time? He will use whichever in his judgment will best promote the welfare of the people, if he is an honest man.

Mr. HAYS. Thank you. And do not we have to leave some discretion with our administrators?

Mr. MORRISON of North Carolina. That is the point exactly. If we are fighting a lion and a tiger let us use a shotgun and a sword both, if we need to.

Mr. POAGE. Will the gentleman yield?

Mr. HAYS. Yes.

Mr. POAGE. As I understand the gentleman he assumes there is going to be a tremendous increase in farm prices if we do not provide subsidies?

Mr. HAYS. I had two assumptions. One is the assumption of those who are fighting subsidies that there is going to be no increase. That is one assumption. One group have advanced the idea that there will be no increase in prices, that it will be merely a replacement in the market price of the subsidy increment. In that case I have shown that the farmer will be penalized in the cost of the food he buys to the extent of \$175,000,000.

Mr. POAGE. I was referring to the first part of the gentleman's speech.

Mr. HAYS. The other alternative is, and this, I think, is the real one, may I say to the gentleman, they do expect a price rise. I am saying when those prices start to rise there is no possible hope of anchoring them to the real and permanent value of land.

Mr. POAGE. And the gentleman's contention that land is going up is based on the assumption that farm prices are going to rise?

Mr. HAYS. If we do not use every device we have those prices will be abnormally high and the farmers will lose their farms again.

Mr. KEAN. I yield 15 minutes to the gentleman from Iowa [Mr. TALLE].

CONSUMERS' SUBSIDIES

Mr. TALLE. Mr. Chairman, the issue in the current debate is a fundamental one. It is grounded in the philosophies to which men adhere. On the one side stands the idealist who has unbounded faith in his ability to change human nature. He believes in centralization of Government and minute regulation of men's everyday lives. That government is best which governs most, says he. His bottom principle is economic control.

On the other side stands the realist. He knows our world is imperfect because human nature is imperfect. He agrees with Shakespeare that it is not in our stars but in ourselves that troubles lie. To him freedom is paramount. That government is best which governs least, says he. His bottom principle is economic freedom.

This explains why economists take opposite sides on issues. Their basic philosophies are opposites. The cat is made to jump one way or the other, according as the philosopher's cane prods him.

Basically, therefore, the two forces which meet in the current debate on consumers' subsidies are: economic control versus economic freedom. That the New

Deal fraternity insist on paying consumers' subsidies is not surprising. Indeed it would be most surprising if they did not, for the paying of consumers' subsidies fits beautifully into the New Deal concept of economics and politics.

It is my contention that the so-called New Deal is the oldest deal in history. The only thing new about it is its location. As New Deal economists state in their book, *An Economic Program for a Democracy*, one era in our history ended on March 4, 1933, and another era began. Since then freedom has been curtailed and regulation expanded. Even the concept of freedom, which has been thought of as indivisible for more than 150 years in our country, is now divided into four parts, and freedom of enterprise is not one of them.

The cynic says the only lesson history teaches is that men do not learn lessons from history. In spite of that, I propose to take a broad look at the past, keeping in mind the two opposing principles which have sought recognition—economic control versus economic freedom:

First. The ancient peoples of the Orient did not enjoy economic freedom. The moral codes prescribed by priestly lawgivers embraced minute regulation of men's everyday lives. From the cradle to the grave their conduct was subject to government by men, or by a single individual.

Second. The guardians, or philosophers, of Greece were the brain trust of Hellenic days and the head of the Roman household was the only one in it who had full rights as a person. Economic control was in the saddle in the ancient Occident as well as Orient.

Third. Life in the Middle Ages was controlled by custom and the accepted practices of the feudal and manorial systems. For a thousand years after the fall of Rome, economic control still held sway.

Fourth. From 1500 to 1800 mercantilism in England, with its counterparts, Colbertism in France and cameralism in Germany, maintained rigorous control of men's affairs. This was the period of state building, and the means employed in the building were economic forces controlled by kings and their henchmen. It was to escape the tyranny of one of these kings that the Pilgrims set sail for a new and unknown world which we proudly acclaim as the land of the free and the home of the brave.

The clock struck a significant hour in 1776. Adam Smith came upon the scene to preach economic freedom at a time when government regulations had become so top-heavy that the structure was about to topple of its own weight. Thomas Jefferson came upon the scene simultaneously to preach the doctrine that men are endowed with certain inalienable rights with special emphasis on life, liberty, and the pursuit of happiness. Custom and status gave way to freedom in both economics and politics. The individual who had cried out for self-expression down through the corridors of time came into his own. Up to that hour he had been something less than a man.

Having taken these giant strides through the pages of history, what do we find? Principally, that economic control and not economic freedom has been the prevailing principle in human history. Freedom, then, is a relatively new thing in human experience. And it was no doubt that bleak and somber fact which made the poet-philosopher remark, "Man's inhumanity to man makes countless thousands mourn," for if the aspirations of mankind were graded in importance, certainly freedom would stand on the topmost rung of the ladder.

What does this survey have to do with the issue before us, you ask? I repeat, the proposal to pay consumers' subsidies is strictly in line with the thinking of him who believes in economic control. He argues that such payments must be made to stop inflation. But that argument is merely surface appeal. Whether he knows it or not, the basic reason is his New Deal approach to economics and politics. He believes in government by men; not government by law.

I contend that the payment of consumers' subsidies leads to inflation. Why? Because the money in people's pockets available for spending is increased by the amount of the subsidies paid. The Treasury says there are forty-five billion "dangerous dollars" dodging around doing damage. The proposal to pay consumers' subsidies would add to that amount. Since inflation is already here and has been with us for quite some time, the proposal made is like fanning the flames of the fire.

As I stated when hearings were held on this bill, Uncle Sam does not have a dollar. He must, therefore, borrow the money with which to carry on. If in addition to his colossal outlay for war purposes, he must also find money for paying citizens' household expenses, he must borrow more than he is borrowing now. And it costs money to borrow money:

First. It costs money to issue and sell bonds.

Second. It costs money to pay interest on bonds.

Third. It costs money to refund bonds not paid at maturity.

Fourth. It costs money to raise taxes to pay interest and principal.

Fifth. It costs money to administer subsidies.

Most of the bonds already issued have been bought, and most of those yet to be issued in all probability will be bought, by banks. Banks manufacture credit. In our banking system as a whole, a hundred-dollar bond in a bank becomes the basis for several hundred dollars in means of payment. Means of payment, called checks, have the same effect on prices as the currency in men's pockets. In addition to these means of payment arising out of bonds and bank deposits, our currency is being increased at the rate of about \$5,000,000,000 per year, or about \$100,000,000 per week. The backing for this currency is also Government bonds. Does anyone believe that inflation can be stopped by such procedure? If he does, let him examine what happened to the Austrian crown, the Russian ruble, the French franc, and the German

mark during and after World War No. 1. It was the inflation of Germany that made Hitler.

When I confronted the chief O. P. A. economist with this argument, he agreed that I was right but countered with the statement that the choice is not between good and evil but between two evils. The admission was, therefore, made that the payment of subsidies to consumers is an evil.

Finally, let me say that, once started, consumers' subsidies are not easily shaken off. Like some other institutions which have come into being during the past decade, they harbor within themselves a spark of life which seeks not only survival but expansion as well. Allow them to be paid now and who shall stay their course?

Fundamentally, the issue rests on the philosophies of men, and as once so well spoken, "Tis with our judgments as with our watches; none go just alike, yet each believes his own."

In my opinion, those who vote for the current bill will register their approval of economic freedom. Those who vote against the current bill will register their approval of economic control. The former is in line with traditional Americanism; the latter with traditional Old World-ism, going back as far as recorded history.

Mr. MORRISON of North Carolina. Will the gentleman yield for a question?

Mr. TALLE. Yes; with pleasure.

Mr. MORRISON of North Carolina. By "economic freedom" and "free enterprise"—you use the phrase "economic freedom"—you mean freedom from what? Does the gentleman mean freedom from the interstate-commerce clause of the Constitution of the United States—freedom from reasonable control by the Government?

Mr. TALLE. I know the very able and amiable gentleman from North Carolina knows that I do not subscribe to that definition of economic freedom.

Mr. MORRISON of North Carolina. I did not think so.

Mr. TALLE. I assure him he and I will sit down together and smoke some excellent North Carolina tobacco and talk this question over.

Mr. MORRISON of North Carolina. You are just opposed to the fellows doing it rather than to the law which controls the unbridled will of men.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. First, I wish to compliment the distinguished member of the committee for the scholarly presentation he has made, with which I agree. Secondly, I should like to ask him a question with reference to the matter of increased prices of farm lands in the Central West. I think the gentleman will remember when Secretary Wickard came before the Banking and Currency Committee in support of the first price-control bill I interrogated him with respect to what he thought would happen as to the prices of farm lands, when we drove investors out of other fields, and he answered to the effect that he had not sur-

veyed that. Now we find the prices of farm lands going up. We find the man who works in the city on the war industries' pay roll, sharing in the flow of billions of war dollars, going out and buying these lands and paying cash for them at the advanced prices. I want to ask the gentleman if that is not a natural consequence of what has gone before?

Mr. TALLE. That is true; a wholly natural consequence.

Mr. Chairman, I yield back the balance of my time.

Mr. WOLCOTT. I yield that time to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I just wish to say that in my opinion the gentleman from Iowa [Mr. TALLE] has given us the most scholarly analysis of the two conflicting economic philosophies that come to a head in this subsidy bill that this House has heard. It was a treat to hear such a scholarly analysis.

Mr. WOLCOTT. I yield such time as he desires to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON of Kansas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON of Kansas. Mr. Chairman, food is fast becoming the world's greatest problem. We have heard a lot of fine-sounding speeches about America being the larder for the democracies and a lot of irresponsible promises have been made that we stood ready to feed the world. For more than 25 years prior to the present war United States food production did not keep pace with the population. For the 4-year period between 1935 and 1938—just prior to the present war—the per capita production of all food was 8 percent lower than during the corresponding period just prior to World War No. 1. In no single year during the thirties did the per capita production get up to the 1926-30 level. The public was told that we had enormous food surpluses, but the real trouble was the inability of the consumers to buy rather than overproduction. Today the situation is reversed. The citizens of our Nation are receiving their highest national income. Price is not the problem. The supply of food is the No. 1 problem. Food, in terms of consumer incomes and pre-war consumption habits, is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants, and the like, than in pre-war years; consequently, consumers are now spending around 20 percent of their income for food.

The data following are based upon the assumption that consumers had not changed their buying habits and were purchasing the same quantities of food

as they did during the pre-war period of 1935-39:

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935-39

Year and percent cost of fixed quantities of food is of total income:

1913.....	28
1914.....	30
1915.....	26
1916.....	24
1917.....	31
1918.....	31
1919.....	33
1920.....	32
1921.....	28
1922.....	26
1923.....	24
1924.....	23
1925.....	24
1926.....	24
1927.....	23
1928.....	23
1929.....	22
1930.....	23
1931.....	22
1932.....	24
1933.....	25
1934.....	25
1935.....	25
1936.....	22
1937.....	21
1938.....	21
1939.....	20
1940.....	18
1941.....	17
1942.....	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, the Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

The present chaotic food situation is the result of bungling on the part of the O. P. A. and other administrative agencies dealing with price control as the principal means of controlling inflation. The greatly increased income paid to individuals in defense industries has brought about a change of diet. In 1942 the civilians ate substantially less than in 1935-39 of the cheaper foods, such as potatoes, sweetpotatoes, and dry beans, and considerably more of the higher priced foods, such as meat, poultry, eggs, milk, and cream. This increase in wages had brought a drastic pressure on the limited agricultural output of these items. The efforts to prevent inflation by the use of rigid price controls on many scarce foods has tended to increase their consumption and to induce evasion or black markets. Everyone must agree that inflation is caused by excess purchasing power with regard to the available goods and services. While there is no cure-all for inflation, the most effective way to reduce excess purchasing power is to increase the supply of goods and services available. This can be done effectively by increasing the supply of food through maximum production and by reducing the spending power through a vigorous tax and spending program. The present policy of the O. P. A. with its regulations is curtailing the supply and therefore increasing the inflationary gap.

If Congress approves consumers' subsidies as prohibited in this bill it will further expand the inflationary gap by permitting the consumer to have additional

money to spend for food commodities. It makes additional pressure on the inflationary gap instead of removing it. Inflation is here and is going to continue to mount and you will never stop it by roll-back in farm prices, which is to be made up by subsidies. A 10-percent roll-back in the price of farm products would not affect the living costs to the extent of 2 percent. The costs of administration, the interest on the money borrowed, the many items that will be reflected in the cost of paying this subsidy will be many times the benefit reflected to the consumer in his living costs. Think of the vast army of men and women that will be required to administer and enforce over-all roll-back and subsidy-payment programs. At a time when we must conserve manpower certainly we should not adopt a program of this type. A subsidy paid with borrowed money is like taking money out of one pocket and putting it in another, having a good share of it dribble away while in the process of being transferred. The subsidy program will not stop inflation, but if subsidies are voted as a means of lowering living costs when our family income for the American citizen is greater than in its history we will bring on not only the wildest kind of inflation but the disaster of food scarcity.

The food-subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2 $\frac{3}{4}$ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer-subsidy program amounts to around \$10 per year per person.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of 4 ³
			<i>Cents per day</i>
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds.	.22
Milk.....	1 cent per quart.	180.5 quarts.	1.98
Meat.....	3 cents per pound.	124.0 pounds.	4.08
Bread.....	1 cent per loaf.	92.5 loaves.	1.01
Sugar.....	1 cent per pound.	75.0 pounds.	.82
Vegetables.....	3.5 cents per No. 2 can.	19.2 cans.	.74
Potatoes.....	1 cent per pound.	131.0 pounds.	1.44
Amount per day for a family of 4.			11.00
Amount per day per individual.			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

I want to discuss briefly the flour subsidy program which is about to be placed into effect. The price of bread today is lower than the average price for the past 30 years. Generally speaking, there has been no increase in the price of bread for 20 years. Yet, the O. P. A. placed a flour ceiling price of 85 percent of wheat parity and the millers must have either this subsidy or an increase in the price ceiling. The officials in charge of this program would rather pay a \$100,000,000 subsidy than allow the price of bread to go up 1 cent a loaf. The saving for individuals would be less than \$1 per person per year. The farmers do not want the flour subsidy, the millers are opposed to it, and I believe I am safe in saying that Congress is opposed to it, yet we are threatened with immediate approval of the flour subsidy. Personally, I believe the O. P. A. violated not only the original Price Control Act but the intent of Congress when they set the price ceilings on flour at 85 percent of parity.

The farmers of our Nation have been accused of being greedy and profiteering. What are the facts? Despite these unfair statements and criticism the farmer has done his best and will continue to do so in spite of unfair criticism and innumerable handicaps. They have been harassed with regulations, regimentation, restrictions and red tape. They have operated at full capacity with practically no new machinery and a greatly reduced labor force. The farmers' wives and daughters have had to take the place of hired help on practically every farm in the Nation. They have worked not 40 hours a week, but 80 or 90 hours a week. They have done this without grumbling. All the farmer asks is a fair price for his products in the market place. Certainly no one would contend that he and his family should have less.

It is estimated that the subsidy program proposed in this bill would require an expenditure of \$800,000,000. I think it is impossible to place a figure of \$800,000,000 or several billion dollars on the cost of this program, once it is started. The time to stop it is now and it should be done immediately by congressional action. The people of our Nation do not want the Federal Government to pay for a part of their grocery bills while their own sons are fighting our Nation's battles on foreign soil, nor do they want to transfer their everyday living costs to their sons and grandsons when they return home. It is an unwise and illogical program.

I am opposed to subsidies because they will not work, and want to present for your consideration the following reasons why I believe they will not work.

First. They are inflationary and will defeat the purpose sought to be accomplished.

Second. Subsidies in lieu of fair prices will lead to post-war chaos.

Third. Subsidies pass on to future generations costs which this generation should bear.

Fourth. Subsidies lead to the dangerous doctrine of expecting the state to support its people.

Fifth. Subsidies lead to political control and when once used they are politically almost impossible to get rid of.

Food will be the No. 1 issue in 1944. It is my opinion that it will be much scarcer than the average person can comprehend at the present time. The demand will be much greater than our citizens anticipate if we are to feed our own Nation and our allies, as present plans indicate. Prompt action must be taken which will give the farmers the farm machinery and equipment needed, the labor necessary for production, and the elimination of all the useless and unnecessary restrictions which are now hampering production.

Mr. BROWN of Georgia. I yield 10 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman and members of the committee, there is, of course, ample room for argument on both sides of the subsidy issue and I respect the right of any of my colleagues to take whatever position he or she believes is the correct one. I must confess, however, that it is difficult for me to reconcile the arguments advanced by many Members from agricultural districts against the subsidies, in view of their voting record in the past. During the past 12 years about \$7,000,000,000 have been paid out of the Federal Treasury to farmers in various forms of subsidies such as parity payments, soil-conservation payments, price-support payments, incentive payments, and so forth. When some Members are reminded of their past record, in view of various agricultural subsidies, they try to justify their present position on the ground that those subsidies were for producers and not for consumers. In the first place, it has not been satisfactorily explained to me why producers should be a preferred class to consumers. Producers and consumers are absolutely dependent upon each other. There is no sound reason for subsidizing, as many of you have done, one group, and then refusing to subsidize the other group if it is in distress, later on.

In the second place, the argument that there is a fundamental difference in the type of farm subsidy given out in the past and so-called consumer subsidies, which we are discussing today, is wholly unsound. When the parity formula was adopted and parity payments were guaranteed to farmers, was it their purpose to increase production? Of course not. There was surplus production everywhere. Their purpose was to give the farmer purchasing power, so that he could buy the necessities of life, and the purpose of the so-called consumer subsidy is to allow the consumer, especially the low-paid consumer, enough money so that he can purchase the necessities of life. Both subsidies were and are designed to affect the same thing, the purchasing power. An attempt to distinguish them is wholly subterfuge.

The RECORD will bear me out when I say that Members from city or consumer districts, almost without exception, supported farm subsidies when the farmers were in distress. I feel that it is only just reciprocity for the Members from the farming areas who voted for subsidies for the farmers to now support subsidies for the great white collar, middle class of America, and many others who are now in distress. Those people contributed their share to the Treasury payments that went to the farmers and kept the prices up so that the farmer could live decently, and they and their children, and perhaps their children's children, will have to pay, through taxation, their share of the \$7,000,000,000 that have been paid out to the farmers since 1930.

Is it unreasonable for them to expect the farmers to contribute their share to some subsidy to benefit them when they cannot afford to pay the food prices that have risen over 40 percent since January of 1941? Farm prices today average 117 percent of parity. There has been an increase of more than 32 percent since 1941. I say more than 32 percent, because Marvin Jones, who is the friend of the farmer, testified before the Committee on Banking and Currency that the average price of farm commodities was 85 percent of parity in January of 1941, and that today it is 17 percent above parity. That makes 32 percent. But in view of the change in the method of calculating the parity formula, you farmers know that the rise has been considerably above 32 percent.

Millions of Americans have had no increase in their income since 1941. Millions of others have had only a slight increase compared to that enjoyed by the farmers. I personally do not like any kind of subsidy, but I voted for farm subsidies when there seemed to be no other way out. I am in favor of subsidies to benefit the consumers now, because I see no other way out. If we do not keep food prices down, we will inevitably—and do not mistake it—bring about ruinous inflation. Attempts by any group to profit out of this war are not only unpatriotic but a sad illusion.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. SADOWSKI. The gentleman heard the gentleman from Iowa [Mr. TALLE], who spoke just before the gentleman from New York. He spoke about economic freedom. Can the gentleman comprehend how anyone can get up on the floor of this House and talk about the preservation of economic freedom at this time? When the war broke out the United States Government came to the city of Detroit and told Henry Ford, the Chrysler Corporation, and the General Motors Corporation, "You cannot manufacture automobiles any more, you have got to manufacture guns." How can anyone arise on this floor and say that anybody expects economic freedom in time of war? How can the gentleman agree with him?

Mr. BARRY. The statement is absurd. A majority of the members of the

Committee on Banking and Currency have voted on this bill, the Commodity Credit Corporation bill, anticipating what might happen after the war, and they say they are against subsidies, and they have voted to guarantee the farmers 90 percent of parity, because they realize that in the transition period prices will fall down.

The position is utterly selfish. When the market will sustain the farmer's price they want to pay him a subsidy; when farm prices go above parity—and that is what they had been striving for—they desire to keep the prices going up. Their position is utterly selfish.

Mr. SADOWSKI. May I ask further how any man can reconcile giving one group in time of war advantages that are not given to all?

Mr. BARRY. I should like to ask the gentleman if he wants the economy of the country to go back to the law of supply and demand when this war ends? Of course, he does.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield.

Mr. NORRELL. I have heard much said about the distress of the so-called white-collar class and I share the gentleman's concern about them, but I am wondering if this subsidy should become operative and the consumer who is in, let us say, the industries of this country should have their wages increased so to speak to the extent of these subsidy payments, thereby in effect giving them more money—

Mr. BARRY. That is not the way it works.

Mr. NORRELL. Thereby giving them more money to compete upon the open market for the short or scarce goods, would make competition a little keener for the white-collar man on his salary to get those goods. Then the farmer gets, we will say, additional money. This gives the farmer an opportunity to be in keener competition with the white-collar man. These two groups have more money, but the white-collar man, without any supplemental money, has got to compete with these groups in order to get his share of these commodities. Since he does not benefit in any way in these increases of income I am wondering if it is quite fair to the white-collar man to make him pay his part of the tax load for the payment of subsidies to the farmers and to the industrial workers? I am concerned about the white-collar man.

Mr. BARRY. That is a fairly involved question. Your white-collar man is in the position where his income has gone up but slightly if any at all; yet this is the class which has been paying taxes right along and will continue to pay taxes when the war ends and that unfortunate transition period comes. Are they going to have any money with which to pay taxes?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, usually I have a great deal of respect for statistics gotten out by any governmental bureau. It just happens that a few moments ago I was looking at this chart out here in the hall. I am a great believer in statistics ordinarily but sometimes my belief must waiver when the statistics are contrary to facts which are matters of common knowledge, known to be true. This graph out here in the hall indicates that the farmer today is getting a much larger net income than he did in the last war, in the First World War. It just happens that I had something to do with farming in the First World War and have something to do with it today. I know that in the First World War hogs out in Missouri were selling for \$24.50 a hundred; I know that today hogs are selling for less than \$15 a hundred. I know that cattle in the last war were bringing \$26 a hundred and I know that the farmers today are selling their cattle for \$12.25 a hundred. I know that almost every product that is produced on the farms in the Middle West is bringing not more than 60 percent of what it brought in the last war. The Members from the Middle West know that this is true. Just take one look at this graph out here in the hall and you will know that there is not one atom of truth in it. It is highly deceiving. I am astonished that a Government department would put out a graph of that sort that is so far from the plain and unvarnished truth that millions of Americans know and understand too well.

Mr. Chairman, I am not going into the theoretical features of this bill; those things have been gone into, but I do want to cite to the membership today just a few facts that I know to be true. I know that at the beginning of 1942 there were 273 men engaged in the dairy business in the eastern part of Jackson County, Mo., where I live, men who had been making their living as dairy farmers all their lives—273 dairy herds in Jackson County at the beginning of 1942. Then the O. P. A. comes in and begins to make some rather unwise price ceilings and at the end of 1942 a lone 75 out of the original 273 had survived the blitz. Talk about sabotage of our war effort! If we still believe that food is necessary to the winning of the war we have some blundering and unwitting saboteurs in this country who have done untold damage to our war effort. The same thing has happened with respect to the production of beef. Twenty million pounds of beef which was needed by our soldiers across the sea was sabotaged by unwise bureaucratic regulations. The other day I received a letter from a farmer who is now living in another county but who for many years lived in Jackson County, Mo. I have known him for 30 years and highly respect him. I want to say to you gentlemen over here who are my Democratic brethren that for 30 years I have known him as an active, unflinching worker in the Democratic Party.

He moved to another county a couple of years ago and he decided to buy a

little farm over there. The Government had urged the production of butter and butterfat. He invested in a herd of milk cattle, the best milk cows he could buy, and he started in the dairy business because he believed he could help his country by so doing. I received a letter from him the other day, and, while I do not usually like to read letters, I am going to read a paragraph from the letter of this gentleman. First, he outlines the fact that he invested in his dairy herd, then he tells some of his experiences and how he was forced by the O. P. A. to go out of business and sell his herd.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BELL. Mr. Chairman, he states:

And now a word about subsidy.

To encourage the farmers to keep their herds the creamery raised the price of butterfat from 48 to 50 cents per pound, and then came the subsidy.

You know, they have been paying subsidies, although we have not authorized them.

The Government last month paid them \$900 and they lowered the price of butterfat to 48 cents per pound. Now, when it is becoming necessary to feed heavier, I talked to the manager today. He is very bitter against the administration and told me this subsidy was robbing the taxpayers. We also have here a black market. I also talked to the manager today. He told me he drew \$180 subsidy last month and he said he thought it was terrible, but everyone was getting easy money, and so was he. He has always been a Democrat, but not next time. He also told me that Mr. —, of —, who only kills pork and makes sausage, told him yesterday he was getting \$2,000 per week subsidy.

Now, I know that little town, I know this man's little packing house out about 3 miles from that little town.

He goes on further:

The mill here is the same way. The manager told me and a group of other men Thursday he had been a lifelong Democrat but is very bitter and expresses it so: "My God, if the people getting this easy money feel that way what do you expect of the people paying the bill?"

I read that paragraph from this letter just to give you, and particularly my friends over here on the Democratic side of the House, a picture of how this thing is going over in the grass-roots country. They are paying subsidies presumably for the benefit of the farmer, but the farmer is not getting one red cent of that subsidy. The little packer over near this country town is getting \$2,000 a week. The man at the creamery is getting \$150 a week, but not one red cent of it goes into the pocket of a single farmer in the Middle West. I repeat, not one red cent of it is going into the hands of the farmer. A farmer said to me the last time I was home something that is very significant. He has been on a farm for many years, he was a tenant on the farm in the last war. He said, "You remember, in the last war I was a tenant on this farm. There are 160 acres of it."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, the question before this House is one that goes far beyond the merit or lack of merit in the proposed food subsidy; it jars the foundation of our democracy, it is sowing the pasture for another dictatorial bureau and its many parasites to forage and grow fat upon, at the expense of an overburdened taxpaying public. I am deeply concerned over the concerted efforts that are being exercised toward useless regimentation of our people under the shadow of a purported necessity during this emergency, which has been and is being deliberately taken advantage of to fasten the yoke stronger on a helpless people.

If one will only analyze the abuse of power by the Office of Price Administration it can well be seen why the people are demanding that the Congress retake the reins of government, that the rights guaranteed by our Constitution may be preserved for our posterity. There was an actual necessity for such an organization as the Office of Price Administration, and with the powers given it by Congress it had the opportunity to render a great service to our people; instead it has set up a reign of terror and despotism heretofore unknown to a free people. It gloats in the glory of confiscating private property and running enterprising and honorable American businessmen out of business, all in the name of saving the people from themselves. I could quote many specific instances where their conduct has been such as to make a true patriot wonder to what shores the old ship of state is headed, and in what port she will anchor. Time will not permit my going into more than one of these instances. I can give you proof where on an alleged violation of some edict a patriotic businessman, Mr. M. M. Monroe, of Waycross, Ga., was sued for approximately \$5,000 in a court 1,300 miles from his home and place of business and the place where the alleged infraction of regulations was committed. This party, knowing that he had committed no wrong and that he did not owe his Government anything, prepared to defend himself in said action. One of the army of lawyers paid from the tax money of the people, Mr. Levenson, of Boston, Mass., in conference with this defendant and his counsel advised the defendant if he defended himself in this case and did not settle it he was preparing to bring many more such actions against him in different sections of the country and would keep on until he broke him, all in the name of democracy. This party paid up and stated he was going out of business for the duration. His business was essential to our war effort, but he was literally run out of business by one mad with power and drunk with the desire to regiment, yes, hurdle, pen up, push around, and abuse people. The conduct of this bunch is enough to make the colors run from the flag that stands for justice and equality of mankind. They are running rampant over the

country and have the people bewildered with orders, directives, rules, and regulations that they themselves do not understand. The country is working alive with their regimentators from border to border and from coast to coast.

I wish the people of the Nation, and especially of my district, could come to Washington and look through the offices from end to end of long corridors and see the thousands upon thousands of employees of the Office of Price Administration waxing fat off their tax moneys, who are responsible for the reign of terror that they have brought down on an already burdened populace. While on the question of food, let me say that if the thousands on top of thousands of their emissaries in the field work throughout the United States and the thousands on top of thousands on the public pay rolls here were put to work producing food, we would be faced with a surplus.

My time will not permit going into statistics to argue the fallacy of this subsidy program. The subject is so elementary, however, that it requires only sober thought of a reasonably intelligent person to shoot any argument for a producer subsidy full of holes. It is no complicated question. It has been amazing to me to notice how the Reds, radicals, and crack-pots here who sponsor such programs attempt to accomplish their wild aims. They take a subject as simple and as unsupported by merit and fact as this subsidy question and first shroud it in a cloak of purity and then parade it in the shadows of deep mystery in the hope of confusing and bewildering the Congress, if possible, to such degree that they will in hopeless despair support it, and if Congress does not support it that they may so mesmerize the thinking public that their confusion will cause them to condemn the Congress for not accepting the yoke and bowing to the demands of these star gazers here in Washington who are determined to chart and direct the course of the American people.

I ask the membership of this House to come from under the haze of the smoke screen created by Philip Murray, the administration leadership, and the Communist press who have formed and sponsored this damnable piece of legislation.

It is unthinkable to know that this legislation has been sponsored by the radical element of this country who have been responsible for the exorbitant wages being paid industrial workers who are now drawing twelve and fifteen dollars per day. They demand higher wages one day and are granted it, as in the case of the coal miners, and the next day call on the taxpayers of America to pay their grocery bills; and yet we have Members on the floor of this House who will use every means at their command to saddle that expense on a helpless, taxpaying public. You have not heard one cry from the millions of wage earners who have not received any increase in wages through all of this spiral trend calling for subsidies; it

comes from those who are responsible for the heavy taxes we are paying today.

There is one reference I would like to make that is fundamentally sound in analyzing the merits and demerits of this legislation. It will be found in the Holy Writ that you can judge a tree by the fruit it bears. I call upon the membership of this House and the people of this Nation to judge the Office of Price Administration by the fruit it has borne.

A few months ago, the great saviors of the American people put forth a roll-back program, which they were given the privilege to try. I could give you many instances of its ill and destructive effects, but will only call attention to the fact that it has caused the slaughter of hundreds of herds of milk cows throughout the United States right at a time that we face a milk famine. It has prevented thousands upon thousands of beef cattle from being fed and thereby providing millions of pounds of extra beef for the consuming public, which also applies to hogs. I can cite you one instance where Dennis Adams, an enterprising, thrifty, and hard-working small farmer in my home county, bought on the livestock market in my home town of Douglas, Ga., on August 17, 1943, six feeders of the total weight of 1,385 pounds for the sum of \$173.17. On the 12th day of October 1943, after approximately 2 months of careful feeding, he sold the same six cows on the same market, and they weighed 1,665 pounds, a gain of 280 pounds; besides the fact that they were bought thin and sold fat, they brought him only \$144.86, a net loss, besides the worth of his feed and time hauling and taking care of said cattle, of \$28.31. It could safely be said that he lost at least \$75 in his patriotic effort to help produce food. I ask some Members of this House to tell me who got this money, to whom did this advantage go?

How are you going to justify this kind of regimentation and confiscation of property? If any of you have the temerity to claim that anyone profited by this confiscation of this man's property except the middleman, you would have to say it was some of John Lewis' or Philip Murray's legion who are shutting down war industries and living off the fat of the land while they walk in idleness about the streets of the communities in which they enjoy the freedom of a democracy being protected by the blood of the youth of this Nation. The fact is that no one but the middleman profited. I have a family and it is necessary to make weekly purchases of their food and we have not enjoyed one-tenth of 1 percent reduction in any meat prices, nor has anyone else. This in the face of the fact that millions of dollars of the taxpayers' money has been used to set up another bureau with its many parasites to prey on the working people of this country.

The sponsors of this measure are so inconsistent that it all but causes us to lose confidence in human beings and human reasoning. I had one sponsor of subsidies tell me that a plain example of the merits of the subsidy program is

that we produce about 20 percent of our sugar, and by the use of subsidies that only our producers would benefit, but if we permitted an increase in consumer prices then the foreign countries who produce 80 percent would then profit likewise. I reminded him that "this is your argument on this measure, in the next breath you will be calling on the Congress to appropriate billions for lend-lease from which you will send these very countries, that you do not want to enjoy the increase in prices, millions of dollars of lend-lease goods such as silk hose, lipstick, rouge, and other weapons of war of this nature. I ask you to remember who said: 'Consistency, thou art a jewel.'"

It is so childish, so ridiculous and so destructive to think of the real effect of this purported legislation that I am caused to tremble in fear of what lies ahead for this Nation unless those in charge of its destiny revert to more sober thinking. We had the Treasury Department to call on us to saddle onto the tax-paying public an additional ten and one-half billion dollars in taxes, based on the argument that there is so much surplus money that it is necessary to levy such an excessive tax to siphon off the surplus money in the consumers' pockets to prevent inflation. In the next breath we are urged by the same source to vote millions of dollars that this same bunch may pay the grocery bills of the consuming public because prices are beyond their means to meet. It will take someone with a mind like a jig-saw puzzle to convince any sober-minded human being of any consistency between the two positions. At this point I would like to ask when God in His infinite powers will bring sober thinking back to the directing powers in Washington. The purpose seems to be to, by any means, get control of the entire income of the American public that it may be wasted, spent, and scrambled for any purposes that this wild bunch may conceive in their dreams and imagination of that realm of utopia in which they yet seem to think that the American people are going to live under their plan.

The effect of their over-all proposal would be to take in taxes from a man with a net income of, we will say, \$5,000, an extra sum of approximately \$1,000, and I know and you know that he would not be saved, under the most liberal construction of the result of the program, more than one or two hundred dollars in the course of a year on his purchases. This is about as consistent, however, as the general financing of the Government's business has been over the past few years.

I want to say to you Members who brand yourselves as liberals that you with other powers at work in this country may break down the system of government we and our forefathers have enjoyed. You may destroy at home the very thing that the youth of this Nation are dying on foreign battlefields to preserve, and in their absence, but let me take this opportunity to thank God Almighty, from whom all wisdom and justice comes, that when it is done the pages

of the procedure of the National Congress will never show my name as being one who joined hands with the Communists, radicals, and other crackpots of this country in its destruction. I accept as the greatest privilege that a kind providence has given me to know that in the pages of history yet to be written my children will never be able to point to the fact that their father helped to destroy the America that the patriots of old gave their property and lives to build.

I sometimes wonder how you can face the fathers and mothers who have given from their bosom their first love to go abroad and fight for you and for me when you know that you are saddling onto them a national debt of destruction for them to try to pay by their labor when they return from the blood-stained and smoke-colored battlefields of terror where they have left so many of their comrades to sleep through the years under a tomb resting on foreign soil and kissed at night by a foreign moon.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF of Michigan. Mr. Chairman, I listened with a great deal of interest to the remarks just submitted to the Committee by the distinguished gentleman from Missouri [Mr. BELL]. I wish a great many more Members could have been on the floor and heard that speech. It impressed me, as I am sure it impressed every other Member, because of the fact that he gave to us the truth and the whole truth about the situation in which the American farmer finds himself.

INFLATION A DANGEROUS OPIATE

Mr. Chairman, inflation is like a drug. It gives you an immediate lift and leaves you with a bad headache. It is also like a drug because if you become an addict you crave stronger and stronger doses in order to keep up the effect. The end of the drug addict, and of the nation resorting to inflation as a permanent policy, is the same. The end is collapse and destruction.

During the 10 long years of the present administration the American economic system has persistently been injected with doses of inflation. The dose has been designated by more innocently appearing labels, like "reflation" or "deficit financing," but the more polite name does not alter the evil effects of that deadly dangerous economic drug, properly called inflation.

Tens of millions of Americans today receive their wages and salaries in fresh new dollar bills, or through checks on new Government bank deposits. These salaries and wages mean purchasing power. They represent the means of paying rent, of buying food, of getting a pair of new shoes, or a hat, or a movie ticket. Now, where did that purchasing power come from? From the Government, you probably will answer. But I ask you again, from whence did the Government get that purchasing power to hand to you on pay day? Some of it the Government got from your taxes. Some of it came from your bonds. Some

of it is simply fictitious; and this fictitious part of the purchasing power dispensed by the Government creates the process we call inflation. When the Government wants your work, the products of your farms, the goods you manufacture, and has not the economically sound means of paying you, it nevertheless gets what it wants by a very simple device. It is indeed unfortunate for humanity that this device is so simple that the temptation to resort to it has rarely been resisted by those wanting more than they can get by legitimate means. That process is the simple one of issuing Treasury bills or similar obligations, and then discounting them at the central banks, thereby creating deposits against which Government checks may be drawn. Of course, the result of such a policy is an ever-increasing public debt. On October 15 the total gross public debt and guaranteed obligations of this country amounted to over \$168,000,000,000. At this time each man, woman, and child in this Nation is responsible for a public debt of some thirteen hundred dollars. Last year at this time the individual responsibility was only \$700. Ten years ago, when this administration took over and began the mishandling of the affairs of this country, the per capita debt of each individual was a mere \$190.

Every month the Government pays out about two and one-half billion dollars more than the Government has available for payment. In so doing, it goes deeper and deeper into debt, and two and a half billion dollars of inflationary money goes into circulation. Now more money would be quite all right, provided at the same time a proportionate increase in consumers' goods available for purchase were created. In that case, we should all be better off. We would be able to buy more of the things we want than we ever could before. But, as you all know, such is not the case. All we civilians can buy with our money is the left-overs after the demands of our armed forces have been supplied, and after more than a billion dollars worth of goods a month have been shipped overseas as gifts to our British and Russian allies, and to other nations to which we play Santa Claus under the terms of lend-lease. The reduced supply of consumers' goods certainly shows no tendency to grow.

With evermore billions of dollars distributed in wages and salaries, it is no wonder the supply of money and the supply of goods available get out of balance. An unbalanced condition as between purchasing power in the hands of the people and the purchasable amount of goods and services arises. That, in popular language, is called an inflationary gap. In reality, of course, there is no such inflationary gap. Every dollar will either be spent, saved, or taken away in taxes. If the supply of consumers' goods and services were fixed, and the amount of money were doubled, the same transactions of purchase and sale would take place as before, but the level of prices would double to the benefit of nobody. That is the way in which inflation, engendered by excessive Govern-

ment spending, exercises an upward pressure on prices.

Of course, the Government can put ceilings on prices, but it cannot force people to produce if their production costs rise to a point where the ceiling prices do not permit a profit. If we try to fix prices under such circumstances, the goods simply will disappear, because the Government's price policy restrains production. I do not know whether or not you noticed the other day that even the Secretary of the Treasury, Mr. Morgenthau, was liquidating his herd of fancy dairy cattle, because the cost of milk production was greater than the price he received. If you cannot stop costs from rising—and you can do that only to a certain extent—you have the choice of letting prices rise or of going without the goods. Of course, there is a third escape, called the black market, but that is a most undesirable and illegal expedient.

In the early stages of our wartime crisis, many people seemed to be rather impressed with the benefits of inflation. They thought the vastly increased Government spending would make it possible practically to eliminate the curse of unemployment, to create jobs for women and young people who had not theretofore been gainfully employed; that wages would rise, temporarily, even faster than the cost of living. Many believed prices on farm products would finally reach the so-called parity with prices on industrial commodities. So, as I say, inflation is like a drug. At first it has a very pleasant effect. We have now reached the point when the ill effects—the suffering—begins, and to most of us that is anything but pleasant. Unrest is spreading all over the country; in the coal mines, on the railroads, in the factories, and even on the farms. People are beginning to listen when demands are being made in Congress for economy in Government spending. It is being pretty generally realized that the over-sized administrative machinery is far from efficient; that we are paying the salaries of hundreds of thousands of Government employees whose services could be ended without any loss to society, any loss of efficiency, or any let-down in the war effort.

A demand is growing for economy even in military expenditures. Many sins can be covered by the cloak of so-called military necessity, as was shown on November 4 when the House of Representatives reduced the first supplemental national defense appropriation bill by 82 percent below the Budget estimates. This was a reduction of nearly \$1,000,000,000 in this bill alone.

In recent weeks, particular attention has been drawn to the tremendous volume of goods of all kinds, and services of all kinds, which have been and are being given away to foreign countries. It is true that, comparatively speaking, this country is a rich country, or perhaps I should say, this country has been a rich country. Whether we can afford to continue to distribute gifts at a rate of over a billion dollars a month is another matter, inasmuch as we have to go into debt in order to make those gifts. We all

know that Mr. Stalin thinks of Russia first.

We are increasingly aware that Mr. Churchill's first concern is for Great Britain and the Empire. It is high time that we in this country place America first, and put some brakes on the wild schemes to supply the whole wide world with the goods our own people must go without. The day has come, and it is not here for a day, but for the rest of our lifetime and perhaps the whole of the lifetime of our children and our grandchildren, that we will suffer under a crushing tax burden. Later we will have to struggle to pay the interest on the loans our Government made in order to give away the products of this country to the peoples of other nations. It is inexcusable that no definite arrangements have been made whereby those people, who now receive all kinds of goods and services free from this Nation, shall some time, in some way, help lighten the economic burden of our people, a burden very largely incurred to help them in their days of trial.

In the meantime, the Government goes on with its inflationary policy. Every month, two or three billion dollars are added to the sea of economic morass in which we are sinking deeper and deeper. Instead of going to the roots of the disease, and curtailing expenditures, the Administration would resort to all kinds of subterfuges to postpone the day of reckoning with the American people. One of these devices is represented by Governmental subsidies under a wide variety of forms. To conceal the fact that costs rise, and that prices consequently must rise if production is to continue, the Administration proposes to pay subsidies to producers and processors. Instead of admitting that production would cease if the price of milk is not raised, the Administration prefers to fool the public by suggesting that prices shall be kept down and that the Government will pay the difference between the real price and the sales price. I do not believe that those who think this problem through will be fooled by such a proposal. They will know that the subsidies will be put on their tax bill, together with the staggering costs of administering the subsidies. They will see that the subsidies will have to be increased continuously in line with the growth of inflation. Subsidies do not prevent inflation when they retard the rise in sales prices. Subsidies add to inflation by pouring more purchasing power into the economic stream and by forcing the Government deeper and deeper into debt. It is high time that we all sober up and reject an economic policy that has brought this rich and prosperous Nation to the very verge of bankruptcy.

Insofar as tax money is money earned through production of goods and services, no inflation results in the economic system but a distribution of purchasing power does result. This is not, as some people fondly believe, a share-the-wealth operation. It is a share-the-poverty operation inasmuch as it compels the taxpayers to pay part of the cost and profit of the production of goods and services

which, normally, would be recovered in prices at the retail counter.

But where these subsidies are paid, as this administration wants them to be paid, out of governmental deficits, which give rise to fictitious purchasing power, then these subsidies become, not only a share-the-poverty operation, but they become dangerously inflationary as well.

When the Government undertakes to bestow subsidies through money created by deficit financing which does not represent goods and services produced, the administration is knowingly and secretly administering the drug of inflation to the American economy. If we travel very far along this road, we will end up in the abyss of ruin and economic chaos.

Mr. Chairman, it has been my privilege this morning to review the last of the two measures known as the anti-inflation bills enacted by the Congress. Both these measures contain the exact provisions insisted upon by the President of the United States. He assured the Congress and the country that if given these bills he could and would throw every protection around our economy, and that inflation would not take place. No one questions his authority under the act as amended to do exactly as he then promised to do. It must be perfectly apparent to everyone, however, that a rather large measure of inflation has occurred since these powers were given to the President. His failure to control the same was not through lack of legal powers to do so, but rather his neglect to exercise those powers. I think anyone familiar with all the facts will agree that if inflation has occurred—and it has—the responsibility therefor can be placed directly upon the President of the United States.

Mr. Chairman, I have reached the conclusion that the administration program of rolling back prices, of paying subsidies, of still further increasing our national indebtedness, and still further expanding the bureaucracy which at every hand stifles and irritates the people of the country, will, for the reasons I have set forth, induce inflation rather than curtail it. Notwithstanding the provisions of the bill before us, the President can, even though the measure were enacted into law, stop inflation exactly where it now is. If the President up to date, with all the powers he has under the law, has not curbed inflation, certainly he cannot now do so through the medium of roll-back of prices and subsidizing of activities, which in my judgment is in itself dangerously inflationary.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. I ask unanimous consent to revise and extend my remarks and include therein certain statements and excerpts relative thereto.

The CHAIRMAN (Mr. WALTER). Is there objection to the request of the gentleman from Texas?

There was no objection.

INFLATION NO. 1 PROBLEM ON HOME FRONT

Mr. PATMAN. Mr. Chairman, the real key to all of the problems on the

home front is in the fight against inflation. From the lessons learned as a result of studying the movement of prices during World War No. 1 it is perfectly evident that a completely uncontrolled economy in wartime results in disastrous dislocations and unequal distribution of hardships. This fact is obvious from the figures which I presented here in this House on November 1, wherein the figures showed specifically that the farmer's position was worse in World War No. 1 than it is now.

EVILS OF UNCONTROLLED INFLATION

From the lessons which we all must have learned as we watched the actual operation of uncontrolled inflation after the last war in various foreign countries, we can easily envision two definite results: The first result is an almost complete destruction of the values of those things which we, all of us, have learned from infancy represent the true worth of our country, and of our business structure, and of each individual; second, we know that with uncontrolled inflation the dollar cost of a global war such as we are involved in now would become so huge that we would be led into the ultimate of absurdity in our fiscal system and the very real necessity of abrogating debts which no conceivable plan of taxation could ever hope to pay.

STABILIZATION DESIRED

It has also become perfectly apparent that all of our people desire during this wartime period to prevent inflation and to stabilize the economy insofar as it is humanly possible. Further, the people of this country, no matter whether they express it in these words, understand that to win any fight against inflation it is impossible to divide the country into classes or groups and to stabilize in one direction and not in another. It is impossible either by legislation, directive, or regulation to attain the goal of stabilization by favoring any one group because that can only be done at the expense of all others. If this sort of thing is tried the very human demand will arise from all the other groups that they too be favored, and thus there will be generated the step-by-step movement of inflation which will end no one knows where.

LEGISLATION AND ADMINISTRATION NECESSARY

The main principle of controls established to prevent inflation and to stabilize the economy lies in legislation and administration which does the job equitably insofar as that is humanly possible. This stabilization must be done upon a firm foundation of a knowledge of the facts and not upon the shifting sands of wishful thinking or political pressures. When I say these things, I am not becoming a member of any group of fanatical dreamers, reformers, or idealistic doctors of economy. I am a member of the huge majority of the people and the businessmen of this country, who have always, and still do, state unequivocally that they do not want inflation.

HISTORY OF PRICE CONTROL AND STABILIZATION

Because of the very peculiar reactions of certain Members of the Congress, I

think it is necessary at this time to retrace the history of price control and stabilization. Before the first legislation was had, an agency set up under the President's war powers did some very fine work in bucking the tide of inflation on a purely voluntary basis. The agency people realized that this voluntary situation could not continue. With huge amounts of money in the hands of many people, which they wanted to spend for goods and services, it was evident that a voluntary system would break down under the pressure of buying power, particularly as both goods and services became scarce as the war continued.

FIRST PRICE-CONTROL ACT

The first piece of legislation, therefore, resulted in the establishment of an Office of Price Administration. This bill was introduced as H. R. 5990 and was passed in January 1942, it being shortly thereafter signed by the President and thus becoming law. This legislation was carefully considered by all the Members of Congress. Numerous hearings commencing in August 1941 were held, and every phase, yes, in fact, every word, given careful scrutiny and analysis.

There, of course, were many differences of opinion, but the final vote here in this House showed that the majority believed that the country wanted and needed the legislation. The vote resulted as follows:

Against:		
Democrats	.....	64
Republicans	.....	93
Total	.....	157
For:		
Democrats	.....	167
Republicans	.....	56
Total	.....	223

The administration, and particularly the Office of Price Administration, did not immediately thereafter rush into violent action, but in April of 1942 did put out an all-embracing order known as the General Maximum Price Regulation, which froze the prices of most of the important goods and services as of the March level. This action was taken because by that time it had become completely apparent that inflation was definitely on the way. Of course, such a method as an over-all freeze was bound to catch some people at a disadvantage in their position. Therefore, immediately after the establishment of G. M. P. R., O. P. A. started on a job of tailoring a regulation for every industry on an individual basis. During the time when G. M. P. R. was in effect, and when the individual regulations were being developed and written, complaints about price control began to develop. Sometimes the complaints were due to purely selfish interests of industries or groups; sometimes they were due to honest differences of opinion between business and O. P. A.; sometimes the complaints were due to mistakes which O. P. A. made. But with all of these complaints during this period no one suggested that price

control be eliminated. Everyone recognized that the attempt to hold inflationary tendencies under control by the method of price control had to be for the benefit of everyone, and would probably at some point or other hurt practically everyone.

NO INFLATION CONTROL WITHOUT INEQUALITIES

It is unrealistic thinking to say that you can have inflation control without hurting anyone just as it is unrealistic to say that you can win a battle without casualties.

CRY OF "GET RID OF PROFESSORS"

Price control was new to our people and there was not very much known about the science of doing the job by anyone in this country. In particular the businessmen of the country, never having envisioned such a control in our economy, did not know much about it. Gradually, therefore, there grew up a feeling that all of the Government agency people were professors, lawyers, or long-haired reformers. The cry was "Get rid of the professors and get businessmen."

UNDER COVER PLAN TO KILL PRICE CONTROL

Not so loudly in public, but nevertheless definitely, a small group of our bigger businessmen developed the idea that all controls were wrong and that we would be better off if controls of any kind would be eliminated. Considerable work was started under cover to kill the whole idea of price control and stabilization.

SECOND PRICE CONTROL ACT OR STABILIZATION ACT

During the summer of 1942 it became apparent to the Members of the Congress, or at least to a large majority, that there was some strengthening needed, so that the President and the administrative agencies could really cover all elements of the inflationary movement. So then on October 2, 1942, there was passed what is popularly known as the Stabilization Act.

The Democratic Members of this House who voted for that measure honestly believed in its necessity. Did the Republican Members of this House also believe in its necessity or did they see a chance to vote for a measure which in effect they hoped would be the dropping of a hot potato into the hands of the President? Did they hope that it would burn and embarrass him? Let us look at the votes for this measure:

For:	
Democrats.....	155
Republicans.....	128
Total.....	283
Against:	
Democrats.....	70
Republicans.....	25
Total.....	95

I would like to call your attention to the fact that this vote showed a larger majority of all votes in the House for the Stabilization Act than for the original Price Control Act. I would also like to call your attention to the fact that while 56 of our honorable opposition of the Republican party voted for the Price Control Act, that 128 voted for the Stabilization Act. Why did 72 more of

our honorable opposition vote for the Stabilization Act? I trust that they did so out of the very real desire to insure that our country would not face a terrible inflation.

APPROPRIATION FOR O. P. A. INSUFFICIENT FOR ADEQUATE ENFORCEMENT

Shortly after the passage of the Stabilization Act, under which the Administration immediately went to work trying to carry out the mandate of the Congress, the problem of an appropriation for the Office of Price Administration came up. The net of the history in this particular action was that thirty millions were eliminated from the appropriation even after many hearings developed the fact that to do a good job the agency really needed the money, especially to do a good job on enforcement. The elimination of this thirty millions was done right in the middle of the very serious and unpatriotic wave of black-market development and of racketeering to evade price and rationing regulations. It would seem to me that once the Congress had decided upon a course in respect to inflation and stabilization and had then by legislation directed the President and certain Government agencies to do a job and had given them the power to do the job, that the least the Congress can be charged with is a most peculiar line of reasoning to have so limited appropriations as to have hampered the very work that Congress had decided formerly was necessary. How did this vote come out?

Votes for reduction:	
Democrats.....	26
Republicans.....	156
Total.....	182
Votes against reduction:	
Democrats.....	135
Republicans.....	11
Total.....	146

It appears that almost the total number of our honorable Republican opposition who voted on the measure actually voted to hamstring price control and stabilization in this matter of necessary appropriation. Does this mean that our honorable opposition saw an opportunity to make the Democratic administration continue to handle a difficult problem without the necessary funds? Did this give our honorable opposition a chance to say, "Go thou and do thus-and-so," but "there will not be allowed you the means to do thus-and-so"? Did they expect the Government to make bricks without straw? Did this action on the O. P. A. appropriation come from the same astonishing minds of our honorable opposition as the action on the O. W. I. appropriation? The O. W. I. was doing a good job combating inflation, and practically the same Members who voted to cripple O. P. A. also voted to eliminate the appropriation for O. W. I. that was used to fight inflation—another Republican vote for inflation.

WHO IS RESPONSIBLE?

Let it go into the record that to the eternal credit of the administration of the Government agencies, particularly O. P. A., and of the businessmen of this

country that cooperatively they all tried to stop black markets and racketeering as best they could without the manpower needed to do the job. But these rotten things still exist, and you can charge their continued life to the vote of those Members who cut the appropriations.

COMMODITY CREDIT CORPORATION

Now we come to the middle of the summer of this year in which the bill was introduced to extend the life of the Commodity Credit Corporation. The bill was finally passed in such a form that the President found it necessary to veto it. I do not believe I need to rehearse all this very recent history, but I do think I should ask whether or not that first Commodity Credit Corporation bill as passed was not part and parcel of a design to destroy stabilization. I would probably not ask such a question if anyone, anywhere, of any political party in this House, had ever suggested any other method to establish stabilization than that of subsidy, properly used.

PEOPLE COMPLAIN ABOUT MISTAKES

After the President vetoed this bill another was brought out which continued the Commodity Credit Corporation for a temporary period. Evidently our honorable opposition felt that this was the proper and safe thing to do because they felt sure that during the recess which came shortly thereafter, all Members of Congress would go home to find the country rising up en masse asking for the destruction of price control and stabilization. But the people did not rise up en masse asking for this destruction. They did complain; they did criticize; they did argue, but they never said to anyone that they didn't want any more control and that they would welcome inflation. I am talking about the vast majority of the American public and not the selfish few who think that they can ride out inflation to their own personal advantage. I am talking about the small businessman, about the professional people, about labor; yes, and the vast majority of farmers and all those people—over 14,000,000 of them—living on stable incomes which have not risen during this war. I am talking about the soldiers, the sailors, and marines and their families who don't want inflation, and who have unmistakably in vast majority said so not only to Democrats but to Republicans.

MORE EXPERIENCED MEN USED BY O. P. A.

During all this period since the first price-control legislation the President, Mr. Jimmie Byrnes, Mr. Fred Vinson, and all of the Government agencies and bureaus involved have worked very hard to obey the congressional directive to stabilize. During this period the various agencies have brought in more and more practical and experienced businessmen. I really believe that there has been an improvement in the methods of price control and stabilization. I believe that the regulations are generally clearer and are more simple. No one can really criticize the good work which has been done in rent control and rationing and the food-production program. There are only a relatively few of the price regulations out of over 400 which O. P. A. has put out

which caused the most complaints and wherein there were the most mistakes made. These regulations either have been or are in the process of being revised. The work of revision is being done in conjunction with a system of industry advisory committees which have been extended to every possible industry and many parts of industry. The whole approach so far as I can determine is more realistic and more one of partnership between Government and industry.

OTHER AGENCIES DOING A BETTER JOB

I think that this is true of all agencies of the Government. W. P. B. has done the same kind of a job. The War Food Administration is doing it also, using many committees made up of producers, processors, retailers, and consumers. So far as I can determine the people of the United States and the war agencies are actually cooperating efficiently and learning now to do the job that this Congress directed the President and the war agencies to do. Business, labor, many farmers, and Government agencies are all working together because they believe in the absolute necessity of keeping inflation out of our system. It seems that only the Congress is not a member of the partnership. It almost seems to me on the record of votes we can say to our honorable Republican opposition, that they are the principal ones who are not members of this partnership which is now working to get the job done. I should judge that they would not hold out from being partners on any other basis than one of honest differences of opinion. I should judge that in this time we certainly could not charge them with playing politics, could we?

O. P. A. NOT THE CAUSE OF ALL MISTAKES

There has grown up a habit here in Congress of blaming our own creation, the Office of Price Administration, for any and all mistakes of any of the Government agencies. We make O. P. A. the whipping boy and yet it is the one important war agency which was created by an act of Congress. Are we falling into the error of whipping ourselves? Why do the selfish, the disgruntled, the opposition constantly pick on the child which the Congress gave life to? Why is it that those who are trying to do what Congress, representing the people of this country, wanted done, control inflation and stabilize our economical life—why is it that those very people and agencies are the receivers of the blows of objection and political attack upon the operation of the home front? Why is it that the opposition frequently does not even stick to the facts? Why is it they do not get the facts, or they do not get all of the facts?

ARE SUBSIDIES ONLY FOR THE FEW AND SELFISH?

The opposition cries out against subsidies. Is it just because the President and the agency we created want to use subsidy because there is no other logical method? It seems to me that the use of subsidies as represented in Republican tariff after Republican tariff should now be so completely acceptable to the hon-

orable opposition that there would be no question of the use of an internal subsidy which the facts show benefits everyone. Do our honorable opposition believe in subsidies only for the few and selfish; do our honorable opposition think that by attacking the subsidy program to hold down the price of food as being un-American, that they themselves are being logical or politically sound? Do they believe that they can sustain this remarkable inconsistency by calling upon the name of the farmers?

SUMMARY

What does this all add up to?

First. Realizing that the country wants inflation control and wants the economic position stabilized, the majority of both Democratic and Republican Members of this House voted overwhelmingly for the Stabilization Act which followed and buttressed the first price act;

Second. I do not want to doubt that this vote was an honest one and reflected the desires of the vast majority of our constituents, and if this is true, the opposition is on record, just as our party is on record.

Third. Because mistakes were made by human beings who worked long hours trying to do the right thing on your assigned problems and because of selfish pressures from some well-known spots there seems to me to be by the record of votes a move by our Republican friends to constantly and consistently undermine their own work in every possible direction. Surely it cannot be that our opposition Members are saying that they are doing all this for the sake of the farmer, when actually they know that they are doing it all for the sake of a small minority who want inflation, or for the sake of just hampering the administration in the middle of a difficult wartime situation. After all, Republicans must be just as patriotic as Democrats.

Fourth. Is this all the evidence of an old political trick where you appear to help your opponents when your voters at home tell you you have to and then you try to crucify your opponent on every move thereafter? Surely none of us can be so short-sighted as to crucify the Commodity Credit Corporation, and thus destroy support prices for the farmer simply because there is some kind of a political point to be gained.

CONSTANT BICKERINGS AT HOME

Fifth. Frankly, I cannot conceive that this constant evidence of disunity amongst us in the Congress is entirely a matter of honest division of opinion. Yet all of us know that we continue to weaken our position at home. All of us know that these constant bickerings sicken the man in uniform and we know that he will not forget. Some day he will put his memory to practical use, and when that day comes he probably will make a clean sweep of all of us who fail now to back him up. I, for one, say he should make a clean sweep.

What is it that is necessary to be done? It is very simple; we want all the food production we can get; we want a decent

living standard for every man, woman, and child in this country; we want to stabilize our economy so that no class or group is favored beyond any other; we want to strive mightily to preserve ourselves intact.

Now surely the path this Congress is going down at present is a piece-meal killing of any and all opportunity to stabilize the national policy of this country in respect to the home front, thus doing what the voter wants and our own good sense tells us is needed. That is not sound politics for either Democrats or Republicans, that is just stupidity on our part. If you do not like subsidy, show us something better. I do not like war, but I cannot show any method of exterminating the evils of dictatorship and aggression except by war.

CHILDREN'S PARTY

Are not we being a little bit like the "Children's Party" which the very famous author by the name of Ruskin wrote about? You will remember that the children came, dressed in their best, to a beautiful house and a beautiful garden to play, with all the toys in the world at their command. But one selfish little fellow decided that the most valuable thing to him were the brass tacks that studded the furniture in the house. So he started to pull out brass tacks, and he convinced all the other children of the value of brass tacks. Thus the party ended in the destruction of furniture, fights amongst the children, and the elevation of useless brass tacks to a position of first importance. I am sorry to say that the recent gyrations here in the House remind me of this story. I am sorry to say that the selfish little boy after the brass tacks reminds me of some of the honorable opposition. If the opposition wants to "get down to brass tacks" why do you not just abolish all controls. Then the wrecking of our house and garden will be an honest job.

PRESENT BILL, IF ENACTED, WILL PRACTICALLY DESTROY SUPPORT-PRICE PROGRAM

Some of our Republican friends, and especially the gentleman from Michigan [Mr. WOLCOTT], on page 9695, CONGRESSIONAL RECORD, have contended that H. R. 3477, as reported out by the solid Republican vote, would not destroy the farmers' support-price program. Insofar as the support-price program involves the Government in a risk of loss, this Republican view is plainly erroneous. As to this, we do not need to speculate. On October 21, 1943, Marvin Jones, the War Food Administrator, who must administer every support-price program, wrote a letter to the gentleman from Alabama [Mr. STEAGALL] opposing this Republican bill.

Marvin Jones stated in his letter of October 21:

If section 3, in its present form, is included in the bill, it will practically destroy the support-price program. Carrying forward the support-price program will involve some losses. This, however, would apply only to the commodities where the support price must be above the level of ceiling prices if we are to secure the necessary in food production.

The support-price program for this year has involved the loss of only about \$350,000,000. It has resulted in tremendous production. We will need even greater production in the coming year. The adoption of the bill would force a complete change, embark us on a course of great uncertainty, and jeopardize, beyond measure, our prospective 1944 production, which is vital to the war effort. This program has not only enabled us to realize these goals but to secure production in excess of the goals that were established.

I do not see how any statement could be plainer than that. Those who would enact this bill into law are driving a knife into the farmer's heart by destroying the support-price program and are threatening to impair the production of vital foods for our armed forces, our allies, and our civilian population.

Mr. BROWN of Georgia. Mr. Chairman, I yield 8 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, the bill before the House has to do with the question of continuing the Commodity Credit Corporation as an agency of the United States, of which of course we are all in favor, and for other purposes. In the ramifications of this bill, naturally the O. P. A. becomes involved. Also, there are questions involved dealing with whether or not we are going to continue subsidizing certain food products and other commodities. To a great extent we have already adopted the use of subsidies in connection with our war program.

I do not believe there is a Member of this House who would want to wipe out our price-control program. However, neither do I believe there are very many Members who are not disgusted with the manner in which the price-control law has been administered. It has been condemned throughout the country for its inefficiency, confusion, and incompetency. That it has saved the Government and the people tremendous sums of money many doubt. However, I believe from the information we have that it has saved money. The O. P. A. claims that a saving of \$67,000,000,000 in the purchase of war materials alone has been effected which would not have been saved had the prices of these materials gone uncontrolled. The same agency of the Government claims that the consumers have been saved \$22,000,000,000 because of the generally lower cost of living in this war. Maybe these figures are inaccurate and maybe not, but the fact is that a responsible agency of the Government has officially put them out and until their inaccuracy is shown, it seems fair to accept them.

Do not think for a moment that I take the position that this saving is due in any considerable degree to the use of subsidies—far from it. However, I do not become excited over the use of subsidies. We have seen them used directly and indirectly since the first tariff act was passed approximately 150 years ago. Alexander Hamilton said at that time that if industries are to be protected by a tariff the farmers of the Nation should be paid something not by way of a bonus, gift, or subsidy, but by way of restitution

to put them on a basis of equality with industry. In addition, we have seen railroads, newspapers, other means of transportation, of both persons and property, and mail subsidized. We have seen commodities of nearly all kinds, including some of the farmers' products, subsidized for years and years, and nobody raised much of a howl. So much for subsidies at the present moment.

I want to make it clear that the present program is entirely unsatisfactory, and the use of subsidies thus far has not been productive of any particular benefit to any person other than the processors. This Congress by the act of October 2, 1942, not only empowered the President of the United States to fix all prices, wages, and salaries and items that go into the cost of living on the basis of prices existing on September 15, 1942, but directed him so to do, giving him discretion in correcting gross inequities, and so forth. Congress did its part.

If prices have gone beyond those prices of the dates mentioned in the act, the fault lies with the administration of the act and not with the Congress. The President should have pegged the prices right then as he was directed to do by the Congress. The Congress cannot administer its acts. If we are to believe the economists of the two leading labor unions, it would appear that the cost of living has gone up an additional 7 percent, beyond the 15 percent under the so-called Little Steel formula, since the passage of the act. Canada in 1941 fixed prices, wages, and so forth, and supplemented that program with a restricted use of subsidies and it is claimed that living costs have advanced only 3 percent.

In the over-all picture we must not lose sight of 15,000,000 unorganized workers in America who are now very near the end of their economic rope. Their living costs and taxes have gone up, but their incomes are what they were before the war. We must keep an eye to their interest as well as to the interest of the farmer, stockman, and union laborer. If this group of people are benefited by the subsidy program, it is worthy of serious thought before scrapping this program in its entirety.

I find plenty of fault with the subsidy program so far as the producer is concerned. He is not benefited by it. We can take for instance the cattleman and sheepman—I have first-hand knowledge of the fact that, this fall, through manipulations of the packers, the packers were able to push down the price of sheep from 4 to 5 cents per pound—getting the carcass almost for nothing, in this way, the packer is paid a subsidy of 95 cents per 100 pounds (\$1.10 in the case of beef, and \$1.30 in the case of pork). This subsidy was supposed to take care of the roll-back in prices under the act of October 2, 1942. On top of that the packer was paid, although I am informed that this practice has stopped, from \$2 to \$4 by the Government for each sheep pelt. These pelts were being used for aviator's vests. I understand from five to seven million pelts were bought for that purpose, but, in any event, the packer

gets the wool from the sheep in addition to the subsidies as well as the offal of the sheep for fertilizer purposes. You will see from these figures that a sheep weighing around 110 to 112 pounds as it goes to the packer and for which he pays 4 or 5 cents per pound, is almost clear to the packer with the carcass nearly all profit. Sixty percent of the carcass is meat that is sold by the packer at 16½ cents per pound. Now that means the packer is making about \$8.48 on that sheep. The cost of slaughtering and distribution is estimated—by the packer—at \$1.42, so when we come down to brass tacks, the packer is the boy making the money. I am informed that they are making more money today than ever before. The subsidy is not working at all to the benefit of the grower of either cattle or sheep or to the consumer.

It is interesting for us to know just what these profits are. The O. P. A. revealed last week, after a careful study, that the profits of the packers had jumped to over four times the average of 3 pre-war years, 1936-39. This study, which covered 53 companies handling 85 percent of the Nation's meat production, showed the aggregate profits of the packers in peacetime to be \$24,971,000 a year, but that now this figure has jumped to \$108,613,000 for 1942. The top group, which does 70 percent of the total business, rolled up 336 percent more profits, from \$23,476,000 to \$102,322,000. The medium firms rose even more, by 638 percent, from \$717,000 to \$5,293,000.

These huge profits are coming out of the hides of the producers as well as from the consumers, and the producer, being a consumer also, gets hit twice. I always contended the liquor dealers and the saloon men, owing to the roughshod manner in which they carried on their business, were the cause of prohibition. You will also remember the policy of railroads that "the public be damned"—until Government ownership loomed. Then they commenced to realize that the public was not impotent to act. Let the packers beware and stop, look, and listen before they proceed during this wartime to rob both the consumer and the producer through their monopolistic practices. Let us not be too harsh in our criticisms of men going into the bowels of the earth and of those engaged in other industries for their daily wage, when they see these exorbitant profits that are being made and as a result feel they should get something additional.

The use of subsidies will never be passed on to the producers or the consumers by the packers under the present system. They are simply adding to the huge profits of the processors. I have contended on the floor of this House ever since we were threatened with war that the best way to maintain and increase production was by guaranteeing at least cost of production, and the only means by which that can be accomplished is by placing a floor under the prices which may be paid for the live animals, and if we are to use subsidies they can only be passed to the producers in that way. The placing of a floor under the price of live animals is absolutely necessary regard-

less of whether or not subsidies are paid to the packer. The ceiling is not the answer to increased production. Ceilings guarantee nothing.

Livestock men must have more assurance of what they are to receive for their product. Otherwise production is going to lag. The wage earner knows what he is going to get when he goes to work. The industrialists know what they are going to receive when they build a ship, and so forth, but the farmer and stockman do not know today whether or not they are going to be paid a reasonable price for their product when it is raised and sold. They are taking the chance, and they are the ones who are producing the food for the Army and Navy, the civilian population of this country, and our allies. You cannot throw them out of the door. Food is vital in winning this war.

Here let me also say that I think the policy of the O. P. A. in figuring the point values on beef as high as they have is no less than asinine—in fact, that might be said of the points for all meat. I was glad to see a recognition of this fact by the Office of Price Administration as reported in this morning's papers that, effective at midnight, a reduction of two points per pound in the ration cost of all pork cuts was to occur. We have the largest cattle population in the United States we have ever had. People want those points lowered consistent with the needs of the Army, Navy, and lease-lend requirements. There is beef everywhere but it cannot be used. The miners, loggers, and other workers of my State who perform heavy, back-breaking work have repeatedly told us that they will have to have more meat to keep up their strength and in turn keep up production.

Prices for farm products and livestock products have been so uncertain that I am afraid we will have a shrinkage in beef products in the coming year. In years gone by we in Montana would have feeder lamb buyers and calf buyers come to our ranches to buy our lambs and calves. None came this year to speak of. Why? Because we had no program to insure feeders against actual losses, much less paying them for their time and feed. The result is that there will be a shortage of fed lambs and fed yearling cattle this coming year. I do not need to tell you that a calf may be brought to weighing 700 or 800 pounds in a short time by proper feeding—producing the choicest and most beef in the shortest of time. The Government must wake up to the fact that we have got to promulgate a program that is going to at least insure our producers and feeders their cost of production. Up to date we have not done this.

We talk a lot about inflation. The present price of wheat is only \$1.59 per bushel in Chicago, the present price of corn is 90 cents, and potatoes were sold in my State for \$1.50 to \$2 a hundred, scarcely the cost of the production. Where is the inflation? The inflation occurs after it leaves the farmer and producer. One of the best answers to inflation is increased production. The more

there is of a commodity, the less it is apt to sell for. We can increase production if we guarantee a man he is not going to lose his shirt in the process, and we are not going to have increased production until we do that. Increased production is also a fairly good answer to the rising cost of living; it will lower the price. It is production that we must have. So, getting back, if we are going to use subsidies, let us use a floor price and use subsidies to supplement the floor price. Now the Congress has done its part. It gave the President full power, and not only that, but directed him to fix these prices. What more could the Congress do?

In conclusion, let us all, Democrats and Republicans, and all others, throw politics and political schemes out of the window and think only of the boys who are dying, maimed in mind and body and blinded and destroyed in mind by the thousands on the 55 battle fronts of the world, and of the winning of this war. It is not won yet by long odds. It is going to take work. It is going to take unity. It is going to take sacrifices. It is discouraging to me to see these political contentions which certainly are furnishing fuel for our enemies. If mistakes have been made, in the failure to fix prices, wages, and so forth, and if subsidies have to be used to correct those mistakes, if they will enable us to win the war more quickly and bring our boys back home, let us use them or use any means that will accomplish that end.

Mr. CASE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from South Dakota.

Mr. CASE. The gentleman is making a very fine statement, especially on the sheep situation. This morning I received an official Department of Agriculture report on the lamb-feed situation in my district. As a result of the confused policy that has been followed in respect to feeding livestock, the feeder lambs are less than 50 percent of normal.

Mr. O'CONNOR. Yes, the gentleman is right.

As I have said you can pay all the subsidies you want to, but they never go into the hands of the man who produces. You have to get them into the hands of the man who produces if you want increased production, and increased production is a good answer to inflation. Put three suits of clothes where there is only one, three bushels of wheat where there is only one, three calves or steers where there is only one, and you increase the amount to be bid for and the price comes down. It is a fairly good answer to the rising cost of living, also.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is it not also true that the lack of buyers of calves and the lack of buyers of lambs goes right back to the grazing lands in the gentleman's State and in Colorado and Utah, and causes a reduction in the propagation of sheep on the grazing lands in that area?

Mr. O'CONNOR. Why, of course. I want to say this to the gentleman. Many sheepmen have closed out as a result of just what you say. Many cattlemen are also liquidating. There is no guaranteed price for these producers.

Mr. CRAWFORD. And the costs of herders has advanced 200 and 250 percent?

Mr. O'CONNOR. Yes; that is another vital point. I thank the gentleman for bringing that up. We are paying \$125 and \$150 a month today for sheep herders whom we used to pay \$50 a month. We are paying \$150 and \$165 a month for an ordinary common fencer whom we used to get for \$50 a month. Then costs of operation on farms have gone up easily 200 percent.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. O'CONNOR. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

Mr. BROWN of Georgia. I yield 5 minutes to the gentleman from New York [Mr. LYNCH].

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. LYNCH. Mr. Chairman, this bill, H. R. 3477, is one of the most important measures that has come before the House since the war clouds first gathered over the country. Although its greatest impact will be felt on the home front, this bill ranks in importance with the military and naval bills which have passed this House.

Therefore, I would ask those who are in favor of this bill in its present form and without provision for food subsidies to carefully weigh the disastrous effect this bill will have both on the home front and on the fighting fronts, if food subsidies are excluded from this bill. I believe that all the Members of this House are deeply patriotic. I have a profound conviction that no Member of this distinguished body would knowingly prejudice the early and successful termination of the war, which has already taken a heavy toll among the youth of our country and has brought tears and sorrow to many American firesides. It is to that sense of patriotism that I appeal today in urging you, my colleagues, not to pass this bill without provision for food subsidies.

This is not only a war of men and arms, guns, ships, and planes. It is an economic war as well. The President of the United States, as Commander in Chief, has ordered our Army and Navy to advance and strike the enemy, and today our forces are advancing victoriously on all fronts. As Commander in Chief the President has ordered that the line of prices be held against inflation, the deadliest enemy on the home front. Do we at home lack the sacrificial spirit of our armed forces? Will we follow the orders of the Commander in Chief to hold the line against inflation, or shall greed for profit break the home front, while tanks and guns and bombers could not break the fighting

front. Pass this bill in its present form and upon this House will rest the terrible responsibility for the break in the price line against inflation, which will come as surely as the British broke the line at El Alamein or the Russians on the Dnieper, or our own brave troops are doing at the moment in Italy. That we, as Members of the historic House of Representatives, would do aught to aid and comfort the enemy abroad is unthinkable; that we should do aught to aid our deadliest enemy at home—inflation—chills me at the very thought.

I have the highest regard for the distinguished chairman of the Banking and Currency Committee and for my colleagues who are serving under him. I had the pleasure and good fortune to have served under him for 2 years on that committee. I do not question the motives or the sincerity of those who approved the majority report of that committee, but I could not let this opportunity pass without paying a tribute to the courage, forthrightness, and genuine statesmanship of our colleagues who signed the minority report.

An analysis of controversial section 3 makes it clear that the effect of this bill will be to help the farmer and bleed the consumer. It continues the power of the Commodity Credit Corporation to support farm prices, which is for the benefit of the farmer, but it abolishes the power of the corporation to use any of its funds for making any subsidy or other payment or to absorb losses on any agricultural commodity or commodity processed or manufactured therefrom, for the purpose of reducing, maintaining or in lieu of increasing maximum prices, which, of course, would be an aid to the consumer. All aid to the farmer—no aid to the consumer. Guarantee the farmer against loss, but no protection for the consumer against higher prices. It may be said that the O. P. A. will protect the consumer. If this bill passes in its present form it will mark the beginning of the end of O. P. A., and make no mistake. Without subsidies and without the funds of the Commodity Credit Corporation to absorb losses incurred in reducing, maintaining, or in lieu of increasing maximum prices, the O. P. A. will soon become a thing of the past and the consumer public will be left to the ravages of the wolves.

To the agricultural bloc it seems perfectly fair and just that the farmer should receive all the protection and the consumer none. Thank God we have a President of all the United States, and not a President of just the agricultural States—a man who has the vision to see the difficulties of all the people, not only the difficulties of some of the people, and a man to whom, no matter how this Congress acts, the consumer public can still look with confidence, knowing he will see that they, and all other segments of our population, will not be taken advantage of in these times of war.

I call your attention to the fact that there are millions of people in this country who, being in the white-collar class, have not benefited in the wage scale even to the limited extent of the Little Steel formula. I cite for you as examples the school teachers, policemen, firemen,

and other employees of the States, cities, and municipalities. The report submitted by a minority of the committee truly states the undeniable fact that there are 33,000,000 of our people, many with sons and husbands in the service, who are today less able to meet their ordinary living expenses than they were 4 years ago. Pass the bill in its present form and the total food index will rise 7.294 percent. Can the consumer stand that increase with wages frozen? May I urge those who are in favor of this bill to "Stop! Look! and Listen!" You are heading this country to disaster, for if ever this bill becomes law, labor will demand wage increases to meet the higher cost of living that will be imposed upon it, and the vicious spiral of inflation of higher prices will be followed by ever-increasing demands for higher wages.

It has been said that as a result of the settlement of the miners' wage controversy wages in general will rise. The miners represent only a small percent of the wage earners of the country. The wages of the balance of the workers, organized and unorganized, have been frozen, and in some instances unmercifully frozen. Yet the great wage-earning class has unselfishly accepted the burden that has been placed upon them as part of their patriotic duty and as a contribution to the great objective—an early and triumphant peace. I doubt whether they can be reasonably expected to continue their sacrifices when the agricultural bloc of this House tells them that the sacrifices of their sons and husbands are not enough, that their children must now go without milk, bread, and foodstuffs, so that the farmers of the country, who are receiving the highest prices in 20 years, may squeeze out the last cent of profit from the consuming public. They cannot reasonably be expected to sit quietly by and continue the sacrifices they have been making with the price of milk increasing under this bill a cent a quart, pork chops 4.6 cents per pound, butter 9.9 cents per pound, cheese 7.8 cents per pound, round steak 5.2 cents per pound, and so on down the long line of foodstuffs.

The farmers of this country rightly expect the Government to keep its pledge to support the floor under hogs at \$13.75 per hundredweight. Labor, with no less justification, expects the Government to keep its pledge to maintain farm commodity prices at the September 15, 1942, level. Are we Members of the Congress going to tell the farmers of the country, by the passage of this bill, that we will keep the pledge that was made to them, and at the same time tell the consumer public that we will not keep the pledge that was made to them?

My colleagues, I give you this solemn warning which I trust will be heeded. The ten and one-half million people in New York City cannot continue at their present wage schedules if prices are not reduced. Their rents have increased, their food prices have risen, but in large part their wages and salaries are static and in addition the Government is withholding 20 percent of their wages and salaries, less their income-tax deductions. Are we so blind that we cannot see we are heading for strikes and food

riots? And of what benefit will it be to the farmer? His dollar will be as inflationary as the dollar of the city resident. Inflation is not the enemy of the city resident alone—it is the enemy of the whole country.

A few days ago we increased the allotments to the dependents of men in the service and likewise increased the pensions of veterans of World War No. 1. Now this bill comes along, supported by the agricultural lobby, and the corporation farmers and if passed in its present form, the condition of the veteran and the serviceman's family will be worse than it was before. The increase in allotments and pensions will be an empty hypocritical gesture. Do not try to fool the soldier, sailor, and marine who is serving his country today.

Mr. BROWN of Georgia. I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I ask unanimous consent to insert certain tables at the appropriate points.

The CHAIRMAN. Without objection it is so ordered.

Mr. POAGE. On yesterday afternoon, my distinguished colleague the gentleman from the First District of Texas, who is leading the fight to have Government relieve each of us of a part of our present grocery bill and to require our returning soldiers to ultimately pay this bill for us together with interest and handling charges, challenged the Members of this House to tell us how we can keep down the cost of living and encourage production without the use of subsidies.

Mr. PATMAN. Without increasing prices, that is.

Mr. POAGE. What?

Mr. PATMAN. Without increasing prices.

Mr. POAGE. I said, "Keep down the cost of living." That would mean without an inflationary increase in prices. As a matter of fact the gentleman said:

I challenge any Member of this body to get up, and I will yield to him, who will offer any plan—

But when a number of us rose, he refused to yield. I do not know whether he wants that question answered or not, but since the whole philosophy of the subsidy people rests on this assumption that this cowardly and selfish policy of requiring our soldiers to do both the fighting and the paying in this war is necessary, I want to answer the question.

In the first place, how will we encourage production? By assuring the farmer that he will receive parity for his products—the kind of parity that the President of the United States described in his message to Congress on September 7, 1942 when he said:

Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

That is what the President told the Congress, the farmers, and the Nation in order to get us to lower the figure at which ceiling prices could be placed on agricultural products. Relying on

the justice of this statement, farmers and farm representatives agreed to allow ceilings on farm products to be reduced from 110 percent of parity to parity or the highest obtained price between January 1, and September 15, 1942. This, my friends, is the famous "line" of September 15, 1942, to which the subsidy advocates so often refer. All I ask is that you hold that line, but the advocates of subsidy are not willing to carry out the agreement written into law on October 2, 1942. They do not simply want to hold the line. They want to roll it back. That line fixes the price of wheat at \$1.47 per bushel on the farm. Wheat has been going up rapidly, but the latest figures of the Bureau of Agricultural Economics show that it is approximately 17 cents below that line—yet we are told today that the Government is going to subsidize flour—subsidize flour when wheat is less than one-half of the price it reached in the First World War. The September 1942 line fixes the minimum ceiling on medium beef cattle at \$13.38 per hundredweight. On November 9, 1943, the average price of such animals was \$12.14—\$1.24 below the line. Hogs are substantially below the line. Cotton is almost 2 cents per pound below the line. Are these facts in keeping with the claims of the proponents of subsidies who say they only want to hold the line?

Farmers are just as patriotic as any group. They ask no special privileges, but they do appreciate a square deal. Give them that square deal and they will produce. It is most interesting to find that almost every man in the House who opposed the Pace bill to require the Department of Agriculture to include in its calculation of parity the cost of labor are today supporting subsidies. This House has passed, but the administration has opposed and has refused to carry out, the plain statement in the President's message that "calculations of parity must include all costs of production, including labor costs." Why not quit chiseling the farmers? That might help production.

Why not quit blaming the farmer for starting the spiral of inflation when the spiral has already been pushed far above his reach by other hands? Why not tell the truth, that the Government has by its surrender to organized groups almost at the point of a gun already approved the very shifts that the President said must result in a shift of parity? Why not face the facts? Why continue to say that if farm prices go up wages must go up? Wages have already gone up. Why try to ignore the coal-mine settlement? Why try to say that it is not inflationary? Why try to say that the other wage increases that are about to follow are not inflationary? Why not be fair with the farmer? He would appreciate it. Oh, yes, my friends, the line has been broken all too often, but not by the farmer. So I answer the part of the question about getting production by saying: Give the farmer what we promised him. Give him the price fixed as the ceiling by the 1942 line.

The answer to the first part of the question is similar. The gentleman wants to know how we can keep down the cost of living without subsidies. I refer

the gentleman to his own O. P. A. Let this agency, which the gentleman has so often praised, simply apply the ceiling prices that it is authorized to apply. Let it apply these ceilings to all alike. Let the other agencies of Government exercise a little backbone while dealing with Mr. John L. Lewis. Let the people who have the duty and the power to enforce ceilings enforce them at the levels fixed by law rather than trying to effect all roll-backs at the expense of the farmer. Let them concentrate their efforts on the really important necessities of life and let luxuries go up. Why bother with the price of mushrooms? Let people pay any price they will for these items. The more they spend this way the less pressure there will be on the price of necessities. In short, let every Government agency follow the law. The act of October 2, 1942, pointed out the way to hold the line. Let us follow it.

Of course, it would help in our fight against inflation if we would meet the tax issue squarely and collect a much larger part of the cost of this war in current taxes from those who are now making the money. Why not an excess-profits tax all the way down the line on individuals? This is the only way we will ever remove the great accumulation of inflationary buying power now in the hands of those who are receiving the unreasonable wages of the shipyards and the airplane factories—all paid by the Government—and at the same time not work an injustice on those who have had no increase in salary. I favor such a forthright tax policy, but I do not believe that we should allow our failure to meet the tax issue squarely to serve as an excuse for us to avoid our plain duty to pay for our groceries as we eat them.

As a Nation, we are in a better position to pay for the food we eat today than ever before. Expenditures for food in relation to consumer's income are lower today than they were before the war. In July 1943 only 20 percent of the average consumer's income was required to purchase food, compared with 21 to 22 percent in the pre-war years and 25 percent during the depression of 1932-33. If consumers were now buying the same quantity of food as they did during the pre-war years of 1935-39, their expenditures for food would amount to only 16 percent of their incomes.

The data in the following table take into account the fact that many consumers are buying more and better quality foods, eating at restaurants more frequently, and the like, than they did when their incomes were lower:

Expenditures of consumers for food expressed as a percent of total income, 1929-43

Year and food expenditures as a percent of total income:	
1929	23
1930	24
1931	24
1932	25
1933	25
1934	24
1935	23
1936	21
1937	21
1938	22
1939	21
1940	21

Year and food expenditures as a percent of total income—Continued.

1941	20
1942	21
1943 ¹	20

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Food in terms of consumer incomes and pre-war consumption habits is cheaper today than any time in the last 30 years. If consumers purchased the same quantities of food today as they did during 1935-39, only 16 percent of their income would be required for food expenditures, compared with 20 percent in 1939, 25 percent in 1933, and 33 percent in 1919. Actually, higher incomes have resulted in many consumers buying more and better food, eating more meals at restaurants and the like, than in pre-war years; consequently, consumers are now spending around 20 percent of their income for food.

The data in the following table is based upon the assumption that consumers had not changed their buying habits and were purchasing the same quantities of food as they did during the pre-war period of 1935-39:

Percent of total consumer income required to purchase the same quantity of food as consumed in the pre-war period of 1935 to 1939

Year and percent cost of fixed quantities of food is of total income:	
1913	28
1914	30
1915	26
1916	24
1917	31
1918	31
1919	33
1920	32
1921	28
1922	26
1923	24
1924	23
1925	24
1926	24
1927	23
1928	23
1929	22
1930	23
1931	22
1932	24
1933	25
1934	25
1935	25
1936	22
1937	21
1938	21
1939	20
1940	18
1941	17
1942	17
1943 ¹	16

¹ Data for July 1943.

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics, The Marketing and Transportation Situation, August 1943, p. 12; May-June 1943, p. 3.

Following this thought a little further, we find:

The average weekly earnings of industrial workers increased \$15.49 between January 1941 and July 1943. During this same period a very liberal estimate placed the increase in the weekly food expenditure for a family of four at \$6.24. Assuming that there is only one

wage earner in a family of four, the increase in earnings has been much greater than the increase in food expenditures. If the worker purchased the same quantity of food as in the pre-war years, food costs for a family of four would have advanced \$3.84 per week, compared with an increase of \$15.49 in weekly earnings. Part of the increase in food costs has been due to many families purchasing more and better-quality food than when incomes were lower.

Increase in average weekly earnings of industrial workers compared with the increase in food cost for a family of 4, January 1941 to July 1943 (based upon the assumption that there is only 1 wage earner in a family of 4)

	Average weekly earnings of industrial workers ¹	Estimated food expenditures per week for a family of 4 ²	
		Total amount spent for food, including meals at restaurants and the like	Assuming the same quantity of food was purchased as in the pre-war years 1935-39
January 1941.....	\$30.61	\$10.08	\$8.76
September 1942.....	41.79	13.68	11.16
July 1943.....	46.10	16.32	12.60
Increase, January 1941 to July 1943.....	15.49	6.24	3.84

¹ Compiled by the National Industrial Conference Board and published in the Survey of Current Business, U. S. Department of Commerce.

² Estimated from data published in the Marketing and Transportation Situation, September-October 1943, table 6, p. 21. The figures for January 1941 were estimated on the basis of the data reported for 1940 and 1941.

The food-subsidy program as now being applied by the Government amounts to about 11 cents per day for a family of four persons, or 2¾ cents per day per individual. Butter subsidies of 5 cents a pound amount to about 65 cents per year per person. A bread subsidy of 1 cent per loaf would amount to less than \$1 per year per person. The present consumer-subsidy program amounts to around \$10 per year per person.

Estimated effect of subsidies upon the daily food costs for a family of 4 persons

Product	Amount of subsidy per unit ¹	Estimated annual civilian consumption per capita for 1943 ²	Effect on daily food cost for a family of four ³
			Cents per day
Butter.....	5 cents per pound.	13.0 pounds.	0.71
Cheese.....	4 cents per pound.	4.9 pounds.	.22
Milk.....	1 cent per quart.	180.5 quarts.	1.98
Meat.....	3 cents per pound.	124.0 pounds.	4.08
Bread.....	1 cent per loaf.	92.5 loaves.	1.01
Sugar.....	1 cent per pound.	75.0 pounds.	.82
Vegetables.....	3.5 cents, No. 2 can.	19.2 No. 2 cans.	.74
Potatoes.....	1 cent per pound.	131.0 pounds.	1.44
Amount per day for a family of 4.			11.00
Amount per day per individual.			2.75

¹ Based upon or calculated from information released by the Office of Economic Stabilization.

² Based upon data published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

³ Calculated by multiplying the amount of the subsidy by the annual per capita consumption, then multiplying by 4 and dividing by 365.

Now let us see just what has happened to the earnings of industrial workers. The "hold the line" order was intended to stabilize the cost of living and wages as of September 15, 1942. Between September 1942 and August 1943, the average weekly earnings of factory workers in manufacturing industries increased 14.9 percent. During this same period, the cost of living increased 4.6 percent.

Percentage increase in average weekly earnings of workers in all manufacturing industries and in the cost of living since Sept. 1942¹

Year and month	Weekly earnings	Cost of living
1942:		
September.....	0	0
October.....	2.9	1.0
November.....	5.2	1.7
December.....	6.5	2.2
1943:		
January.....	7.5	2.5
February.....	8.8	2.7
March.....	10.4	4.2
April.....	12.4	5.3
May.....	14.0	6.2
June.....	14.7	5.9
July.....	13.1	5.1
August.....	14.9	4.6

¹ Calculated from data compiled by the U. S. Department of Labor, and published in the October 1943 issue of the Survey of Current Business, United States Department of Commerce.

The Little Steel formula allowed for an increase in wages of 15 percent in order to take care of the rise in the cost of living between January 1, 1941, and September 15, 1942. Actually, during this period the average weekly earnings of industrial workers increased nearly 37 percent, compared with an increase of about 17 percent in the cost of living. In July 1943, weekly earnings of industrial workers were 51 percent above the January 1941 level, compared with a 23-percent increase in the cost of living.

Percentage increase in average weekly earnings of industrial workers and in the cost of living since January 1941¹

Month	1941		1942		1943	
	Weekly earnings	Cost of living	Weekly earnings	Cost of living	Weekly earnings	Cost of living
January.....	0	0	22.4	11.1	42.3	19.7
February.....	2.6	0	22.6	12.0	43.3	20.0
March.....	3.9	0.4	24.6	13.4	44.7	21.8
April.....	4.2	1.4	26.4	14.2	47.1	23.1
May.....	8.2	2.1	27.4	15.1	50.0	24.1
June.....	11.9	3.8	29.1	15.5	50.8	23.8
July.....	10.1	4.5	30.0	16.1	50.6	22.8
August.....	11.4	5.4	33.5	16.6	—	22.2
September.....	14.7	7.2	36.5	16.9	—	—
October.....	16.5	8.4	37.5	18.1	—	—
November.....	16.8	9.3	38.8	18.8	—	—
December.....	17.9	9.6	40.4	19.4	—	—

¹ Calculated from data compiled by the Industrial Conference Board, and published in the Survey of Current Business, U. S. Department of Commerce.

In August 1943, the wage income per employed industrial worker was nearly 91 percent above the pre-war (1935-39) average. The cost of living was about 23 percent higher, making an increase in real wages of 55 percent.

Comparison of the real wages of industrial workers with the pre-war average

[1935-39=100]

Year and month	Wage income per employed industrial worker	Cost of living	Real wages
1935-39 average.....	100.0	100.0	100.0
1941: January.....	118.7	100.8	117.8
1942:			
January.....	145.6	112.0	130.0
September.....	167.3	117.8	142.0
1943:			
January.....	173.4	120.7	143.7
February.....	177.2	121.0	146.4
March.....	181.1	122.8	147.5
April.....	184.1	124.1	148.3
May.....	186.2	125.1	148.8
June.....	185.5	124.8	148.6
July.....	186.8	123.8	150.9
August ¹	190.8	123.2	154.9

¹ Preliminary.

Data compiled by the Bureau of Agricultural Economics. Cost-of-living index compiled by the Bureau of Labor Statistics. "Real wages" is wage income divided by the cost of living and represents the purchasing power of wages.

At the present time, farm income is 197 percent of what it was during the base period. Industrial workers' weekly income is 457 percent of what it was during the same period. Does it seem fair to reduce farmers' prices in order to aid industrial workers? Possibly those of you who say that this subsidy is not intended for the benefit of industrial workers did not read the letter you received this morning from President Philip Murray, of the C. I. O.

The leader of the subsidy forces has repeatedly referred to the subsidy which was paid to certain marginal copper mines. He says it saved the Nation considerable money. I think it did. But the people who are now supporting general food subsidies have never told you that the copper program has not the slightest resemblance to the food program. What happened in connection with copper was simply this. There are certain mines where copper could be produced in small quantities at a high cost. These mines were not being worked and could not be worked at the established price of copper. The Government agreed that it would pay more for the copper produced by these mines than it would for the copper coming from the mines that were already operating at a profit at existing prices. This enabled the high cost mines to produce, and the Nation got some extra copper that way. As to food, what is now proposed is that all shall be subsidized alike. The low-cost producers will be paid the same as the high-cost producers. The very essence of the copper program, its selectivity, will be thrown away. More than that, most of these food subsidies are to be paid not to the producer, but to the processor, which impels me to ask if any Member of this House knows the name and address of one single cattleman who was helped by the roll-back subsidy on beef cattle last June? If such there be, I want to get in touch with him. I had some cows and calves, and I lost, not gained, about 3 cents per pound as a result of that subsidy. Thousands of others had the same experience. I do

not believe that that subsidy is going to encourage many stockmen or farmers to increase production next year.

And what did the consumer get from this subsidy? My distinguished colleague from the First District of Texas has stated on numerous occasions that the consumer saved from \$5 to \$30 for each dollar spent on subsidies. I have, however, yet to hear him explain just how this saving is to be calculated. My wife reports that she was unable to notice any reduction at all in the retail price of beef as a result of the roll-back subsidy, but I have consulted the Bureau of Agricultural Economics of the Department of Agriculture. They could hardly be accused of being prejudiced against subsidies, but they tell me that their figures show that the consumer gets a reduction of 8.9 percent as a result of a 10-percent subsidy. This would indicate that the Nation lost 11 cents out of each dollar spent on subsidies as it was spent and that no man knows how much interest and administrative expense will be incurred before that dollar is repaid by taxes levied on some future generation at some distant date.

Of course, I recognize that in spite of the great increase in the national income, in spite of the great increase in the average income of the average worker, there are many people whose incomes are fixed, people who have had no increase at all. If we are to use the subsidy principle at all, why not take the best parts of the plan that the gentleman from Texas described in regard to copper? Why not use a selective system? Why not help those who need help—those who have not had an increase in income? Why not issue food stamps to that small portion of our people who have had no increase in their income and who need an increase to meet the increased cost of living? Why do you suppose the advocates of these consumers' subsidies want to subsidize Henry Ford and Alfred P. Sloan in order to reach Widow Smith and Professor Jones? Would it not be more reasonable to pay the subsidy only to those who need it? I think that we should recognize the difficult position of our white-collar workers, of our teachers, preachers, pensioners, and so forth. I am willing to aid them, but just because I would be willing to split some wood to help keep some dear old lady warm in a box house does not indicate that I am knowingly going to chop the winter firewood for a family of able-bodied men in brick mansions.

Mr. PATMAN. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BROWN of Georgia. I yield the gentleman 1 additional minute.

Mr. POAGE. I thank the gentleman but I do not want 1 but I would appreciate 2 additional minutes. It is evident that my colleague from Texas is going to take 1 minute to ask me a question. I will need 1 minute at least to answer him.

Mr. BROWN of Georgia. I yield the gentleman 2 additional minutes.

Mr. PATMAN. I said that no Member could suggest a plan that would increase production and not increase the cost of living, without subsidies. Now, if the gentleman has a plan he will be the first one who has accepted the challenge and I hope he will explain what the plan is.

Mr. POAGE. The gentleman evidently did not listen to me in the first place. I pointed out that if the gentleman would carry out the law as it is now written, let the farmer get what the law says he can get for his products, he can get production. I would suggest further that if the gentleman wants to keep prices to consumers lower, that he might establish, and I will vote for it, an excess income tax, touching all groups, clear down to the bottom, so as to siphon off the excess purchasing power in the hands of the people. I would suggest to the gentleman that if the O. P. A., which he has supported so many times, will but follow the law that gave it the power to establish ceiling prices at parity or at the highest attained prices, he can hold the line, if it is only the line he is interested in holding. But if he wants to roll back prices, of course, that is a different matter. If that is what he wants to do he has got to charge that off to future generations. We cannot roll back present prices without piling up a tremendous debt. That will involve charging the boys who are overseas fighting today for the groceries we are now eating. The advocates of consumer subsidies would make those boys fight the war and pay for the war too. If the gentleman wants to maintain prices where the law fixed them in 1942, he can do it by applying the law as it is written.

Mr. PATMAN. I am still anxious to know the plan.

Mr. POAGE. I have given you the plan. In plain language, follow the law. There is no need to complicate it. My friends, food subsidies have been tried since the days of ancient Rome. Their only lasting result has been the destruction of economic and political institutions. It is easy to inaugurate but very difficult to abandon a subsidy. Any demagogue can promise a gullible public and a job-hungry bureaucracy that it will in some mysterious way relieve consumers of a part or even all of the cost of living. Once fastened on the country, no political party will have the nerve or the power to remove it. It is worse than the drug habit. It passes today's costs on to our returning soldiers. I think those of us who stay home should at least pay our own grocery bill. It will cost less to pay now. To postpone the payment will involve not only exorbitant administrative expense but also billions of dollars in interest. General subsidies themselves are certainly no less inflationary than wage increases.

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has again expired.

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier today.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. BALDWIN].

Mr. BALDWIN of Maryland. Mr. Chairman, it is with a great deal of reluctance that I enter this discussion of the Commodity Credit Corporation bill this afternoon. I am the last one in this Congress to stand here and advocate anything that would bring about inflation or disturb any stabilization program of our Nation. I have a great stake in this war, as most of you Members of Congress have. We have more than our own political futures at stake in this decision we are making. I would be very reluctant to vote for this bill if there was any other way of stabilizing prices and controlling inflation, but when the Congress created the O. P. A. it gave to that agency all the power in the world to stabilize prices at a fair and equitable level.

It is only because they have not established those prices at fair and equitable levels and handled it in an efficient manner that they come here today and ask the Congress to give a subsidy to cover up the mistakes they have made. I say that advisedly. In answer to my good friend the gentleman from Texas [Mr. PATMAN] when he asks someone to give him a formula to eliminate subsidies without raising prices, I cannot give him a direct formula, but certainly he was in the committee hearings and there were enough illustrations brought out at those hearings to prove to me, and certainly to him, that had the O. P. A. handled price regulations with a sense of efficiency or with any practical knowledge of the problems they were handling, a great many of the requests for subsidies today would not have been made.

Mr. HARE. Mr. Chairman, will the gentleman yield for an observation?

Mr. BALDWIN of Maryland. I yield.

Mr. HARE. I think the gentleman has voiced the sentiment of a great many Members when he intimates that one of the reasons these subsidies are so distasteful is because of the operation of O. P. A. I hold in my hand a market bulletin from my State, South Carolina, in which a farmer advertises 400 bushels of sweetpotatoes for sale at \$1 per bushel, showing that he has no local market in which to dispose of his potatoes or else he would not be advertising them for sale. On my way to the office this morning I stopped at a grocery store and inquired the price of sweetpotatoes. The groceryman said, "Ten cents a pound," which amounts to \$6 per bushel.

Much has been said in the discussion of this bill about support prices, but I am unable to see where the support price for the farmer or the subsidy price for the consumer has been of any benefit to either because if support prices were of any benefit this farmer would be getting more than a dollar per bushel for his potatoes and if the consumer had been protected or benefited in any way he would not be required to pay \$6 a bushel for them. If this illustration is representative it forces me to the conclusion that the

price-control program has failed in its purpose and is disappointing to both the producer and the consumer. I do not know whether the illustration is representative or not but I do know this paper I hold in my hand was issued just 1 week ago by the commissioner of agriculture in my State and that sweetpotatoes are selling for 10 cents per pound in the District of Columbia today. A farmer offering to sell 400 bushels of sweetpotatoes for \$400 in South Carolina, yet consumers here, and I assume elsewhere, are obliged to pay at the rate of \$2,400 for a corresponding amount, a difference of \$2,000. The support-price subsidy or the consumers subsidy do not seem to have benefited either. There seems to be something wrong somewhere and it does not appear that a subsidy has been able to correct or improve the situation.

Mr. BALDWIN of Maryland. The gentleman is entirely correct. That is just one of many illustrations.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a statement, not for a speech?

Mr. BALDWIN of Maryland. I yield.

Mr. AUGUST H. ANDRESEN. I may say that according to labor statistics the cost-of-living index for potatoes has advanced 59.4 percent since September 15 of last year.

Mr. BALDWIN of Maryland. I just want to give one illustration since the gentleman from South Carolina used the sweetpotato example. I wish to refer to some testimony which came out before our committee and with which you are familiar if you read the hearings. That is the case of canned spinach. Baltimore is one of the spinach-canning centers of the country. During the last spring season when Maryland spinach was at its height, the O. P. A. set a price of \$1.89 per bushel wholesale on spinach sold to the market trade. At the same time they put a ceiling of 48 cents on spinach to the canner. They expected the canner of spinach to buy it at 48 cents, competing against a market trade offering of \$1.89. The testimony before our committee was that as a result of that legislation instead of 1,000,000 cases of spinach being packed by the Baltimore canning industry last spring they packed only 200,000 cases. In other words there was a loss of 800,000 cases as a result of which the points on spinach were raised and the Members know how hard it is to get canned spinach. These are some of the illustrations of the way the administration of the O. P. A. has been handled and which makes the request for these subsidies necessary. If we needed a subsidy to stabilize our war economy I would be for it. I would not, as I said a moment ago, do anything to break up our stabilization program; but I am not willing to stand here and provide money to an agency to cover up their mistakes and inefficiencies and the lack of knowledge of those handling the food program of this country. In my opinion that is the way the O. P. A. has administered this program.

There are just one or two basic things I want to talk about for a minute. It

has been charged in quite widespread manner that this is a bill of the farm bloc, of the farmers of this country. Why is this a bill of the farmers of this country? The farmers are taken care of under the subsidy program. Why would it not be much easier for the farmers to get what they want when we can borrow that money from the United States Treasury than by an increase of prices? Mr. Chairman, the farmers of the country are conservative people. They are the people who know how hard it is to make a dollar. They do not believe in spending money just to throw it away; they are not in favor of issuing bonds to get money to pay the consumer's food bill when the consumer can afford to pay it better today than at any other time in his life. That is why the farmers of the country are against food subsidies, because they are a conservative people and do not believe in that kind of political philosophy.

Mr. SADOWSKI. They are for a producer subsidy, however.

Mr. BALDWIN of Maryland. There is a sound basis for producer subsidy in the case of essential commodities. The producer subsidy is an incentive subsidy to get increased production. When the Government directs farmers to produce beyond the reasonable limits they have a legitimate obligation to those producers. That is entirely different from the obligation to pay the food bill of the consumers at a time when the consumers are better able to pay it than they ever have been before in the history of our country.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of Maryland. I yield.

Mr. POAGE. In connection with this producers' subsidy is not the Government now paying a producer subsidy to every laboring man who works in an airplane plant or a shipyard or any of those plants where the Government raised the wages far beyond the regular level in order to get the workers in there? Is not that a producer subsidy?

Mr. BALDWIN of Maryland. Yes; and they are paying a subsidy on housing, too.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maryland.

Mr. BALDWIN of Maryland. We have heard a lot of complaints about dairymen and the cost of the production of milk. If you will read the hearings before our committee a little further, you will find that the fixing of prices on feed by the O. P. A. has had a great deal to do with the request of the dairymen for a milk subsidy or an increased price. Every Member of this House who is familiar with the dairy industry knows that the dairy farmer produces his roughage and produces his basic grain to make up his feed mixture for his cattle; but when O. P. A. comes in and sets a price on dairy feed that prevents a farmer from buying a ton of protein dairy feed, he then is thrown on the mercy of the feed dealer.

The result has been that instead of being able to buy protein feeds to mix with his own home-grown feeds and making a cheap, efficient, highly desirable dairy feed, he has had to go to the feed dealer and buy a mixed feed at about 50 percent of an increased cost over what the basic ingredients of those three feeds sell for individually. Any feed dealer in the country is protected with a ceiling price by O. P. A. on his protein feed, yet he can mix the three or four together and charge 50 percent more without anything happening to him. They then ask the Congress to appropriate a subsidy to cover up that kind of handling of the dairy feed question.

Mr. Chairman, there are so many phases to the way the O. P. A. has handled this food question that could be gone into that I could take much more time than I have to go into them this afternoon. On the radio the other night, and I think I should say this in fairness, our distinguished colleague from Texas said that this was a political bill reported out of the committee in a conspiracy with the Democrats. I am a Democrat, Mr. Chairman, my people have been Democrats for years gone by and I am still a Democrat. Nobody has approached me with any idea of entering into a conspiracy to report this or any other bill for political reasons. And I may say further that whatever stand I take on legislation in this House will be based on my honest, sincere, and considered judgment on the particular subject. I am in favor of this bill whether all the Democrats are for it or none of them are for it but myself.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BALDWIN of Maryland. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman will remember that while the hearings were conducted, I interrogated Mr. Hutchins, of the Commodity Credit Corporation, with respect to proteins in the form of cottonseed cake and meal. May I say that within the last 10 days I have direct information, by letter, from ranchers in the Southwest that they are paying open and above board a black market premium running from \$10 to \$17 per ton on cottonseed cake produced in central Texas. I think our friend, the gentleman from Texas [Mr. PATMAN], should bear facts like that in mind because they so closely relate to his district and that great State.

Mr. BALDWIN of Maryland. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, last week a great number of livestock feeders and representatives of livestock feeders' organizations from most every section of the Nation came to Washington by invitation from the Senate Agriculture Committee. The committee held hearings for several days, taking testimony from these men who came directly from their farms to tell the Congress exactly what they

thought of the O. P. A. regulations and subsidies to the meat producers. They are anxious to produce to the limit for the war effort, but are now being hindered in their efforts because of the bungling theorists here in Washington.

It was my great privilege to attend one of the sessions and to hear among others a farmer and stock feeder from my own district, a man who knows his business from long years of experience and who is quick to recognize when a monkey wrench has been thrown into the machinery. He is Mr. Wayland Hopley, of Atlantic, Iowa, who in partnership with his brother Harry, operates one of the most successful stock farms in Iowa. Mr. Hopley is president of the Iowa Beef Producers' Association and as such he came here last week and made a most convincing argument against subsidies and bureaucratic control of the beef industry, which he proved by facts and figures has decreased the production of beef.

Here is Mr. Hopley's testimony. It should convince the O. P. A. that they should change their course.

I am Wayland Hopley, of Atlantic, Iowa, a farmer, cattle feeder and breeder, and president of the Iowa Beef Producers Association. My farms are located in southwestern Iowa and I have been engaged in the livestock business all my lifetime. On our combined farm we will feed out annually about 3,000 cattle, as well as lambs and hogs. At the present time, my mind is in such a state of chaos and confusion that I am afraid to go into our normal and annual beef production. As a result, we have in our yards today and in our pastures and stock fields about 650 head of cattle. This is merely the picture of my feed yards as they exist today, which is also typical of the majority of my farmer friends and neighbors who are engaged in the same industry. I have taken occasion to make a survey of the cattle feeders here assembled, for whom I am privileged to speak, and I find this is a true picture as it applies to their respective territories. To more emphatically illustrate the point as to what is happening to the cattle-feeding industry in the State of Iowa, I wish to present the figures obtained from the secretary of agriculture's office in the State of Iowa relative to the shipments of feeder cattle coming into the State of Iowa for the months of August, September, October, and the first few days of November, for the year 1942, as against the year 1943. To date, our shipments of feeder cattle have been 579,137 against 710,247 for 1942, which would show a reduction of feeder cattle for those months of 131,110. The period of 1942 was considerably less than the period of 1941.

I quote from the United States Department of Agriculture, Bureau of Agricultural Economics:

"Shipments of stocker and feeder cattle into the Corn Belt States in October were smaller this year than last and the second smallest for the month in 5 years. The decrease from October last year was largely in the direct movement. Records for 8 Corn Belt States show that while the total in shipments in October this year were 32,000 head below last year, the number coming in from public stockyards was about 10,000 head larger.

"For the 4 months, July through October, the movement of stockers and feeders into the Corn Belt was also the second smallest in 5 years. The total into the 11 Corn Belt States this year, inspected through public stockyards, was 9 percent below last year but larger than in 1941. The total into 8 States, both from markets and direct, of 1,170,000 head was about 107,000 head, or about 8

percent below last year, but was about 60,000 head larger than in 1941.

"Reports from States outside the Corn Belt are that cattle-feeding operations in nearly all of these States will be below last year, and the smallest in the last 5 years at least. Because of the reduced production of sugar-beet feeds, and the smaller number of sugar factories operating this season, the total number of cattle fed by or at these factories will be substantially smaller than last year.

"In October, as in preceding months, the preference of cattle feeders was for heavier weights of feeders, and prices of these were high relative to yearlings or calves. Slaughter records indicate that a relatively large number of calves, that in recent years would have been taken for stockers or for feeding, went to slaughterers in October."

The remarks I might make to explain to you gentlemen my reactions and feelings to this chaotic condition we find ourselves in could be much more easily said if I were at home in my feed yards and in the surroundings which would be more adaptable to my means of expression. It is high time that Congress recognizes the situation that is confronting the Nation regarding its feed supply and the future production of beef. Unless Congress asserts itself and takes steps to stop the bureaucratic directives that are being issued by various bureaus in Washington to the food producers of this country, we are headed for a real shortage of beef. The cattle feeders find themselves in a state of chaos and confusion and are more confounded each time a directive comes from Washington concerning the meat problem. The markets are now at times completely demoralized, and no feeder or farmer wants to raise or feed cattle, hogs, or lambs when he, by experience over the past year and a half, knows that a group of theorists are more than likely to put into effect a new regulation that will upset his whole feeding operation, to say nothing of the financial loss thereby sustained.

The beef production is going to depend entirely on the way it is handled in Washington. If they will allow prices that justify a profit to the producer, they will get plenty; if not, the farmers will undoubtedly spend part time on their farms and in their feed yards and part time in defense plants and other jobs, where the compensation is greater; as a result, probably small production in all places. Ceilings and subsidies are two terms that are exceedingly obnoxious to cattle feeders and farmers. True, we cattle feeders are opposed to runaway price or inflation, but the arbitrary way the ceilings have been imposed upon us, not having been consulted, has not met with our approval. We feel controls and management are quite necessary, but these controls should be directed at demand and supply—not at price pegging. We are unalterably opposed to any and all subsidies. They propose to give cheap food and prevent inflation, but we farmers feel that if the Government spends money for a subsidy that it must borrow the money, pay interest, and pay men for administering these funds, so the same subsidized foods will, in the long run, cost the consumer more than they would if they paid a fair price when they bought it. It has always been accepted as a fact that Government borrowing was in itself inflationary, so that we feel subsidies are very much an illusion, or bait hung out to the consuming public to supposedly cheapen their living costs, which it does not do.

Our regulators or dictators are very slow to learn anything by the old, tried method of experience. It seems to us producers that the whole beef-cattle program has been very badly handled by the powers in Washington. They say: "Food will win the war and write

the peace," and that it is just as essential to the war effort as are arms, tanks, airplanes, or ammunition, but they have one way of getting food and another for the equipment of the Army, Navy and Air Force. The cry goes out to get equipment for the armed forces at any price—not inflationary—but when food production is wanted, it must be cheap or the price low to prevent inflation.

We are proud of the production we are getting from some of our defense plants. We farmers have sons in the United States forces and we want them well-equipped that they may meet their adversaries on at least an equal basis, and are for this all-out war effort, but we also want them well-fed and well-clothed, and that is our part in the war effort. We farmers have only one desire, and that is to produce an abundance of food and fiber, but the sooner we recognize the limiting factors about this food production, the better it will be for all of our economy.

The farmer needs machinery and labor in order to produce the maximum amount of food. Unfortunately, we cannot get all the farm machinery we need. Then, for that reason, we need more labor; but prices received for farm products will not justify a farmer in going into the labor market to expand his farming business. This last year, when feed grain was so badly needed, we did not grow as many acres of corn as we did in 1920 but yielded more corn. We cannot produce or live on regulations out of Washington, and until we get agricultural business on comparable basis with industry and labor, recognize there is no substitute for price when you want production, we will not be able to sustain our fighting forces, civilian population, and our lend-lease effort as we should.

There is a subsidy on beef today, but is the American public buying their beef any cheaper? I checked my local retail market, both before and after the subsidy program was made effective, and found that price quotations had not been changed, let alone revised down. This being a fact, the consuming public is paying the same for its beef as it was prior to the announced subsidy program. Therefore, it must not be accomplishing its supposed purpose of lowering the cost of living.

It is reasonable to assume that with a fair and equitable price, the necessary beef requirements for the armed forces, civilian population and lease-lend could and would be produced and might even be increased if the need were necessary. If this subsidy program is carried out to its fullest extent, it is purely inflationary, and the thing no cattle feeder wants. The feeders of cattle know that there will be a shortage of beef as soon as the present marketing of range cattle is completed, but not a shortage of cattle. This is due to the fact that feeders have not placed and are not placing their usual quota of cattle on feed because these feeders have been kept confused and alarmed by constant threats of additional regulations and restrictions, such as live ceilings, Government buying, allocations and subsidy programs, causing constant price roll-backs.

Any policies which tend to put the cattle feeder in such a frame of mind that he is cutting down our meat production, I believe would be decidedly unwise from the standpoint of our Nation's health. Leaders of our armed forces have been quick to recognize the value of meat in the diets of men on our fighting lines. Army officers tell us that meat is the No. 1 item in Army needs and, according to quotations from officers of the Quartermaster Corps, they say that meat is eaten every day by the American soldier, and all Army meals are planned around a meat dish.

The food problem is not so confused that it could not be solved. Every segment of the livestock industry has cooperated in working

out a program known as the meat-management program, which I feel if it were allowed to work, would result in the stabilization of the industry and the production of ample meat to supply the armed forces, civilian population and lease-lend.

I wish to reiterate that I am unalterably opposed to the subsidy, due to the fact that we are better prepared to pay for our groceries as we go along today, with our present high rate of consumer income, than we ever have been in the history of our country. I feel that it is wrong and unjust to increase our national debt to pay for something which could easily be paid for at the present time, so that our boys who are now on the far-flung battle lines will not have this increased tax burden to pay off when they return. I am opposed to the subsidy, for the fear of what will happen to our industry after the war is over, and we will be compelled to go back to a normal field of production.

Cattle feeders do not want inflationary prices, but we do want a price at the market place which will get production. Abundant production will keep down consumer prices and I feel that we have not as yet come anywhere near our peak production if proper management was instituted. We must get away from the idea of Government support and let our industry stand on its own here at home and in this way back up our boys who are on their own in the battlefields of Europe and the South Pacific.

Mr. Chairman, I ask unanimous consent to extend and revise my remarks and to include a statement.

The CHAIRMAN. Is the statement the gentleman's own statement?

Mr. JENSEN. No.

The CHAIRMAN. The gentleman will have to secure permission to do that when the House is not in Committee.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I want to call the attention of the Members of the House to my remarks appearing in the RECORD today in reference to the attempt on the part of the economic stabilizer to have the oil-petroleum industry accept the subsidies. I want to refer particularly to one part of my remarks of yesterday and restate it here today so that the Members will understand the position of our distinguished friend from Texas in the early part of the year.

Last Tuesday, the Honorable WRIGHT PATMAN, the distinguished Member from Texas, spoke at some length in support of subsidies. In the discussion which attended his remarks, the gentleman from Indiana, Hon. GERALD W. LANDIS, asked this question:

Is the gentleman in favor of subsidies on oil?

To which the gentleman from Texas [Mr. PATMAN] replied:

I am in favor of subsidies on anything that will encourage production without increasing the cost of living. You see, we have to have some kind of standard or guide to go by. I ask the gentleman now, and I ask any person present here, if he can name any way on earth that you can hold down the cost of living and encourage production without the use of a subsidy. I yield to any person who says he has a plan.

He thus gave his approval to subsidies to the oil industry. Yet, in an interim report of the Committee on Small Busi-

ness, of which the gentleman from Texas [Mr. PATMAN] is chairman, under date of May 10, 1943, the following conclusion was stated:

That subsidies and bonuses are untried in the oil industry and unworkable and undesirable for the general purposes now needed.

I do not know which of the gentleman's views to accept as being his firm conviction.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire, to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I am in favor of the bill presented to the House and shall support it.

I do not believe there is a Member of this body who, whether he is for or against subsidies, believes in inflation. I do not want inflation and my support of the bill before us is based upon my opinion that it will aid in preventing inflation. The great threat to inflation in this country is the ever-mounting national debt.

Congress discharged its duty to the people in passing the Stabilizing Act under which the Office of Price Administration was created. The purpose of that law was to stabilize prices. If it has not been done, it is because of the failure of the Office of Price Administration to do its duty as directed by Congress. If the taxpayers and the consumers were different persons, there might be some argument to justify consumer or food subsidies. Unfortunately they are one and the same person and as such must foot the bill.

Advocating subsidies of this nature contains the dangerous doctrine that the state should support the people rather than the people support the state. I desire to point out, and especially to the people for whom I speak in this body, that living costs, if consumer subsidies are established, will be more than saved now at the grocery counter. There will be deducted from the laboring man's check and all others \$2 for every dollar saved now to pay back the money that must be borrowed, with interest on the bonds and the increased cost of administration through the building up of the ever expanding bureaucracy in Washington. If the Government must pay the grocery bill of the people now when the wage scales and the national income are the highest in our history, when will they be able to pay? Under a consumer-subsidy program we will be paying to the Government in heavier and more burdensome taxes any increase in the cost of living instead of paying it to the storekeeper now.

Those who advocate food subsidies and request the Government to pay for what is placed on the table are asking succeeding generations, including the men who now fight the Nation's battles, to pay our board bill.

The Nation's farmers have been called upon to produce more food. They are as patriotic as any other segment of our people. They are willing to do it but they are opposed to accepting Government bribery to do so. What reason can any Member of this House advance for

not paying those who till the soil and produce the food we eat a reasonable price for their produce in the open market place? No one has answered that question. Behind this philosophy of consumer subsidies is vicious political control and regimentation of the farmer and he knows it. Food subsidies mean discouraging food production. They are a demagogue's paradise providing him with the instrument to promise higher prices to the producer and lower cost to the consumer.

In the 12,000 word message sent to this House by the President advocating food and consumer subsidies, there was one very glaring omission, namely the President failed to point out to the people that whatever the Government paid now on their living costs would be collected with interest and expenses in heavier taxes demanded by the Government later.

If food subsidies are adopted what does it mean to the average individual? If he uses 5 quarts of milk weekly and the Government pays 1 cent a quart subsidy, the average person would save \$2.60 for the year. Under the present rationing system each individual is entitled to 12 pounds of butter a year. With the Government paying 5 cents a pound, the total saving is 60 cents annually; and if the individual can buy 2 pounds of meat weekly there would be a saving of 6 cents a pound or an annual saving of \$3.12. The total saving per person per year on these three essential items is \$6.32.

The Government will be compelled to borrow to pay the subsidies on these three items the sum of \$800,000,000. No one will seriously contend that our enormous debt, which may reach \$300,000,000,000 before the end of this war, can or will be paid within 50 years. The interest alone on the \$800,000,000 spread over a period of 50 years at the rate paid on War Savings bonds will amount to \$1,160,000,000 or two and a half times the original subsidy paid. This means that for \$6.32 now saved to the consumer he will pay \$19 in taxes.

Mr. WOLCOTT. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. LANDIS].

Mr. LANDIS. Mr. Chairman, subsidies are economically unsound and vicious. They lead to political control and regimentation. The roll-back program means three things to every American citizen: more bureaucrats, more taxes, and more power in Washington.

These subsidies are unfair, because they are paid from the borrowings at the expense of our fighting forces and future generations. They lead to greater inflation, because they increase available purchasing power, increase Federal expenditures, and contribute to a loss of confidence in the financial stability of the Government.

Farm organizations, producers, the farmers, food processors, distributors, Congress, and every American citizen who expects to pay his own grocery bill are opposed to subsidies. The administration has been strangely silent on the fact that to pay these subsidies it must sell more War bonds, collect more

taxes, or borrow more money from the banks.

Just why are the New Dealers urging the adoption of the subsidy program? I will tell you the answer. First, to bait the American producers and consumers for fourth-term votes; and, second, to place more New Dealers on the Federal pay roll to administer this new program. We already have more than 3,000,000 people on the Federal pay roll. But every thinking American knows that the subsidy program is to put \$1 in one pocket and take \$2 out of the other pocket. The roll-back program is a complete admission on the part of the O. P. A. that it will not be able to control prices and must resort to hidden inflation rather than orderly wartime price adjustments.

If the subsidy program is abolished, the New Dealers will make an effort to place the blame on the Republican Party for creating inflation. Nevertheless, inflation is already here, but most of the Federal officials will not admit it. The American people know that their dollar will not purchase as much as it formerly did. Inflation is here through black markets, the cut in the size of packages, and a lower quality of merchandise.

This administration has tried to confuse the people about subsidies and price control. They claim subsidies are holding down the cost of living, when, in fact, price control is doing the job of keeping down prices to the degree that prevails.

The roll-back of food prices will not effectively stimulate food production. On the contrary, it will have the opposite effect. The subsidy program is just another method the New Dealers have in promoting their philosophy of scarcity.

An example of the failure of the subsidy program was illustrated when the canners came to Washington.

THE CANNERS CAME TO WASHINGTON

Mr. Speaker, yes, the canners came to Washington just like thousands of other businessmen to help out in the war effort and take part in the battle for a united home front. They were, of course, given the run-around by the alphabetical agencies. It was too bad they had to spend so much of their valuable time away from their business. Many of them spent days and even weeks here trying to get something done. Some of these canners were here in December of 1942, some came back in the early months of 1943. At the start of the year, canners had sought definite information on raw-material costs, price ceilings, and wages. But by the middle of June, with the packing season under way, none of these problems were solved. As a result, the 1943 pack of seasonal vegetables and fruits are 27,000,000 cases under the 1942 pack, according to the canners of America. This loss is due to delays and bungling by Federal officials and the adoption of the subsidy program. The 1943 pack was finally subsidized by the Commodity Credit Corporation.

If the Government had accepted the canners' program and allowed them an increase of 1 cent per can, we would have a full 1943 pack today at a smaller cost to the consumer. Our civilian pop-

ulation would find more canned fruits and vegetables on the shelves in the food stores this winter.

I hope the New Dealers will begin to see the light. I hope the canners will not have to go through the red tape and delays they had to contend with last year. They started the year with the purpose to produce the largest pack possible under wartime conditions. The four most important factors facing them in 1943 were: First, the amount and price of raw products; second, amount of labor available and the wage rate they would have to pay; third, maximum prices that would be established for sales both to the Government and civilian trade; fourth, amount of equipment and containers available.

The canners were forced to deal with several Federal agencies, such as the War Labor Board, the Department of Agriculture, the War Production Board, the War Food Administration, and the O. P. A. No wonder there was delay and bungling. A single food administrator with complete authority would have helped considerably in solving this important problem of getting out a full 1943 pack.

Mr. Speaker, subsidies have failed to increase the production of canned goods. The canners did a splendid job, notwithstanding the New Deal restrictions placed upon them. The canning industry is ready and willing to go to the limit to do a job next year, but it cannot accept the responsibility for failure to do the job desired in 1944 if it is compelled to operate under either delayed or impracticable policies and regulations.

Let us remove the shackles from the canning industry and give them an opportunity to process the food to win the war.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, in the midst of this discussion involving subsidies, according to an announcement which has just come to hand, the National Lawyers' Guild is tendering a testimonial dinner and reception at the Mayflower Hotel to the Honorable James Lawrence Fly, Chairman of the Federal Communications Commission and Chairman of the Board of War Communications, on November 19, 1943.

The announcement describes Mr. Fly as having been "an ardent champion of the greatest freedom of all groups to secure time on the air and of the widest possible extension of radio service to all listeners." The notice of this jamboree is signed "District of Columbia Chapter, National Lawyers' Guild," and it recites that Mr. Fly "has done an outstanding job of preserving the integrity of the administrative process"—and I emphasize the phrase "administrative process"—"by his courageous stand against the Dies and Kerr committees and by his steadfast opposition to the Cox committee; and he has been a tireless worker in attempting to gear the all-important communications industry to the war effort." A full copy of this announcement reads:

NATIONAL LAWYERS' GUILD,
DISTRICT OF COLUMBIA CHAPTER,
Washington, D. C.

DEAR FRIEND: On Friday evening, November 19, the National Lawyers Guild is tendering a testimonial dinner and reception at the Mayflower Hotel to the Honorable James Lawrence Fly. As Chairman of the Federal Communications Commission and the Board of War Communications, Mr. Fly has been an ardent champion of the greatest freedom of all groups to secure time on the air and of the widest possible extension of radio service to all listeners; he has done an outstanding job of preserving the integrity of the administrative process by his courageous stand against the Dies and Kerr committees and by his steadfast opposition to the Cox committee; and he has been a tireless worker in attempting to gear the all-important communications industry to the war effort. Mr. Fly will deliver an address on the importance of freedom of communications, both in the domestic and international field.

A distinguished group of Government officials and members of the bar are joining in the tribute to Chairman Fly. Vice President Wallace; Leon Henderson; and Elmer Davis, Director of the Office of War Information, have kindly consented to address the gathering. Robert Kenny, attorney general of California and national president of the guild, will act as toastmaster. We believe that this dinner is one of the outstanding events that this chapter has sponsored.

All members of the bar and friends of Mr. Fly are cordially invited to attend this dinner. The subscription is \$4.50 per plate. The number of tickets available is strictly limited, and we therefore urge you to make your reservations promptly at the guild office. Checks should be made payable to District of Columbia Chapter, National Lawyers' Guild. Reservations may be made for groups at tables accommodating 10 persons.

DISTRICT OF COLUMBIA CHAPTER,
NATIONAL LAWYERS' GUILD.

It is obvious therefore that this feast of honor is being tendered the Chairman of the Federal Communications Commission for the contempt he has shown Congress, congressional committees and individual members of the National Legislature. It is unique in the history of America for a so-called organization of lawyers to thus honor one so contemptuous of the Nation's law-making body, but it is thoroughly in keeping with the communistic performances of the National Lawyers' Guild.

Mr. Fly is to deliver an address on the importance of freedom of communications both in the domestic and international field.

Mr. Chairman, with those proclaimed reasons for rejoicing and for praising Mr. Fly as Chairman of the Communications Commission and as Chairman of the Board of War Communications, a good time should be had by all. But there are still other hopes held out for a joyous occasion. "A distinguished group of Government officials and members of the bar are joining in the tribute to Chairman Fly." The Federal Government is to be represented on that festive occasion by none other than Vice President Wallace, Leon Henderson, erstwhile but hapless head of the O. P. A., and Elmer Davis, Director of the Office of War Information, who "have kindly consented to address the gathering." All members of the bar and Mr. Fly's friends

"are cordially invited to attend this dinner" at a cost of only \$4.50 per plate.

Mr. Chairman, we readily recall another occasion when an assembled multitude was reminded that it had foregathered for a purpose other than to praise a noted character of history; but times, circumstances, organizations, and "isms" have undergone many changes. It now seems to be the style to combine praise of the living with propaganda for a continuance, even a redoubling, of their accomplishments along the lines advocated by the intelligentsia. The coming praise of Mr. Fly seems remote from a praise limited merely to past accomplishments—it portends other things that doubtless will be expected of him; and the testimonial dinner is probably meant as a spur to greater accomplishments along the lines of things sponsored and advocated by the guild.

For the benefit of the uninitiated, if there are any such at this late date, the National Lawyers' Guild is one of the most outspoken and rankest of communist-front organizations of this or any other day. Its tenets, objects, and aims have been and are such that Mr. Justice Robert H. Jackson, former Attorney General; Mr. A. A. Berle, Assistant Secretary of State; New York Supreme Court Justice Ferdinand Pecora; Judge Nathan Margold, of our District of Columbia Municipal Court, and formerly solicitor for the Department of the Interior; New York City Comptroller Joseph D. McGoldrick; and others resigned, with reasons therefor which may be stated, as they were by Mr. Berle, as follows:

It is obvious that the present management of the guild is not prepared to take any stand which conflicts with the Communist Party line. Under these circumstances, and in company with most progressive lawyers, I have no further interest in it.

Come what may, Mr. Fly still thinks so well of the guild that he is willing to break bread with its members and at a dinner given under its auspices, and that at a time when our people are tightening their belts, foregoing as the President has strongly intimated, adequate diets as a safeguard against greater shortages of good food, and to the end that we may do more than a man's part in feeding, financing, and policing the world as a part of the new world order which is just now taking shape and emerging from the dream state.

Since it has become the fashion among high administrative officials in Washington to classify as Fascists those who dare criticize their divergent views, perhaps I should say no more. But, Mr. Chairman, I cannot refrain from observing that it seems strange that the expensive dinner to honor Mr. Fly should be held in these days of strenuous rationing, and when many organizations and associations are, at the behest of the Government itself, canceling their meetings, conventions, and banquets in the interest of the war effort. This observation holds, too, in the face of the fact that, in Ottawa, Canada, the people are not worried about a butter shortage or the shortage of any other kind of food—a place where the best filet mignon steak, with all de-

sired trimmings, decreases the content of the pocketbook not more than \$1.10.

Seriously, whatever the true object of the impending testimonial, and whatever the subjects that will be discussed, let us hope that Mr. Fly will enunciate a fixed and determined plan to safeguard the freedom of the radio; and that any and all other proposals will be left to the countries which have dictators and admit the fact. If Mr. Fly does this, however, he will have to forsake a principle which he has helped to establish, namely, that radio stations may properly be required to sign and file stipulations with the Commission indicative of program content, as conditions precedent to favorable action by the Commission on matters before it.

One other matter, Mr. Chairman, and I shall have finished. A document accompanying the announcement of the Fly testimonial dinner bears the notation "Standard Form No. 64, office memorandum, United States Government," and is signed Harry M. Plotkin—spelled P-l-o-t-k-i-n. That paper indicates that officials and employees of the Federal Communications Commission are probably being solicited to purchase dinner tickets at \$4.50 a throw, since Mr. Plotkin happens to be a member of the Commission's legal staff.

In these days of heavy demands upon Government employees for taxes, the purchase of War bonds, subscriptions to the Red Cross—so that persons of high estate may perform world travel—and subscriptions to the Community War Fund, which is an enlargement of the old community chest, and which spends its money, in part, through an ideological organization which busies itself with the rescue and bringing of alien refugees to this country, it seems our Government workers have enough legitimate uses for their surplus change, without being asked to buy dinner tickets at \$4.50 each for the purpose of honoring any Government official.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I feel that we should point out here that we are not, with this bill, writing or establishing a food program. We are merely resisting, with this bill, the establishing of a false foundation upon which to construct a sound food program.

I personally want to compliment the Banking and Currency Committee for the way they have handled this matter. It is a credit to the gentleman from Alabama [Mr. STEAGALL], the committee's able chairman, to the gentleman from Michigan [Mr. WOLCOTT], the gentleman from Georgia [Mr. BROWN], and to the entire committee.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I am opposed to the provisions of this bill. The average citizen is most confused and bewildered by all of this discussion on subsidies, producer subsidies, consumer

subsidies, price parities, and so forth. But when you ask him, "Do you want price stabilization, and are you opposed to inflation?" his answer is a most emphatic "Yes." Price stabilization or inflation is the question that is before us here today. There is no doubt about it but that the purpose behind this bill is to increase prices and to open the doors wide to uncontrolled inflation. Those supporting the bill say that it will not create inflation, and yet when I asked the question a few minutes ago of "whether you are willing to assume the responsibility for inflation in the event of the passage of this bill," you answered: "The Roosevelt administration must be responsible for the administration of the bill." It is like tying a man's hands behind his back and shoving him into a boxing bout and saying, "I'm not to blame if you do not lick that fellow."

For my part, I want to make this point clear: I intend to go up and down my district and tell my people that the Republican membership of this House, together with a few Republican-minded Democrats, are responsible for the passage of this bill and the results that will follow.

So far we have done fairly well in holding the line. So far we have not permitted the speculators, food profiteers, gougers, and black marketeers to run wild as they did in the last war—when butter was a dollar a pound, meat a dollar a pound, a small chicken \$5, sugar, coffee, bread, shoes, and clothing, in fact, everything was prohibitive and priced beyond the reach of everyone, and as a result everyone suffered except the speculators and profiteers.

"To h— with the war. We want our profits, too!" This seems to be the theme of the antisubsidy group. I have listened attentively to one after another of the supporters of this bill, and I have heard them say, "Subsidies are socialism," "We want economic freedom," "We want the American way of life," "We want the law of supply and demand," and it makes one stop, think, and shudder. Is our home front going to degenerate into one mad, greedy scramble for money?

When the Japs attacked us we did not think of "economic freedom," "law of supply and demand," "subsidies and socialism." No! We knew we were at war. We went to General Motors, Chrysler, and Ford, and to the other industries, and told them to stop making automobiles, refrigerators, and civilian goods and start making tanks, airplanes, guns, and ammunition. Did they say, "We won't do it! We want economic freedom"? Oh, no! We immediately called millions of boys into the armed services and gave them 10 days' time to leave their civilian occupations. Did they say, "We won't do it! We want our economic freedom! We want the American way of life"?

Let me ask you: What greater service could be rendered to Hitler and Tojo than to open the doors to inflation and cause economic chaos on the home front? Let us first win this war. We still have a long way to go. Let us not do any-

thing which would prolong the war. Wars always cause unnatural economic conditions which call for regulations that are repugnant in peacetime. But we are still very much in the war and our boys over there expect us to hold the line over here.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. CAPOZZOLI].

Mr. CAPOZZOLI. Mr. Chairman, I have listened with great care to the various arguments advanced in support of this bill which, amongst other things, seeks to do away with subsidies. I have tried to see the justice of the attack made on subsidies. Frankly, I have been unable to do so.

My district is part of the great Lower East Side of Manhattan. It is a consumer district. It is populated by workers, many of whom have had no benefit whatever from the so-called defense work. In fact, in this latter respect, particularly, my district is typical of the other districts in the City of New York.

Little has been gained by the New York City residents from the so-called defense program of our country in comparison to other parts of the country. In fact, it has been estimated by competent authorities that over 400,000 persons are unemployed in my city. We all do know that shipbuilders on the west coast came to my city, gathered unemployed workers, and shipped them west to their shipyards. These workers had to go across the country, leave their families, and, in many cases, live under very unfavorable conditions, in order to earn a livelihood for themselves and their families.

Surely, Mr. Chairman, no one can be so naive as to believe that these family dislocations would have taken place if the defense program had made full use of the City of New York labor market and its industrial capacity. If this labor market was able to furnish the west coast with thousands of workers in shipyards, then why was there not a shipyard, doing shipbuilding, located in New York City, aside from those doing Navy and repair work? This question may not be germane to the issues now before us, but its consideration does shed some light on the necessity of keeping the cost of living from spiraling upwards, especially in the City of New York and other localities which have not benefited by the defense program.

Aside from the unemployed, New York City has thousands and thousands of the so-called white-collar workers and unorganized employees. Many of them reside in my congressional district. They have been subjected to all the disadvantages of a country at war and have not profited in any way from increased earnings. In fact, they have been unable to take advantage of the Little Steel formula. They have had to depend on the voluntary action of their employers for increases in wages. Yet they have had to continue to meet the rise in living costs as everyone else has had to do. Teachers, clerical workers, State, county, and municipal employees, policemen,

firemen, librarians, and so forth, have had no benefit of increases in wages, with some exceptions. It is estimated that throughout the country there are 15,000,000 heads of families who have been unable to get a pay rise. They have been, and are now, at a disadvantage. Is the adoption of this bill, with the elimination of subsidies, going to help them? Obviously not. It is going to make their condition ever so more difficult.

It has been authoritatively stated that 4,000,000 wage earners still earn less than 40 cents an hour, with millions of others earning just a little above that. Also that 4,000,000 families have not had an increase of more than 5 percent since the beginning of the war. And what about those who have retired and are unable to work, depending for their support on fixed pensions, such as veterans, railroad and civil-service workers, the purchasing power of whom has gradually gone down? What shall we say to all these persons? Are we helping them by passing this bill in its present form?

The Little Steel formula was originally meant to fill the gap between wages and the cost of living from January 1941 to September 1942, and limited wage increases to 15 percent above prevailing level on January 1, 1941. Even as we debate this bill, the formula is being attacked and not without some justification. It is claimed that it has failed in its avowed purpose of halting living costs. Imagine with what more justification can demands for increased wages be made if food subsidies are banned.

Just what will be the immediate effects of this bill if it is enacted into law? For an answer to this question, let me refer you to what Mr. Chester Bowles has had to say about it. After all, as head of the Office of Price Administration, it is his duty to keep up to date on matters of this kind and, speaking for myself, I am perfectly satisfied that he is doing the best possible under the circumstances. He is entitled to the confidence and support of the American people in his efforts to handle a very perplexing problem.

He says that, without subsidies, the cost of a 5-pound rib roast would increase by 23 cents; 3 pounds of veal cutlet would cost 18 cents more; a 15-pound ham would go up 67 cents; butter by 10 cents a pound; milk by about 1 cent a quart; and cheese 3 cents a pound. Increases will take place in the foods so that the total food index will be increased by over 7 percent.

These increases would immediately result in a demand for higher wages, on a country-wide scale, and, for the life of me, I cannot see how such a demand can be denied, in the light of these increases. The result will be a break-down in the whole price-control structure and we shall be well on our way to inflation.

I yield to no one in my respect and admiration for the American farmer and his patriotism. However, it seems to me that the proper picture has not been made clear to the farmer. I am sure that he knows the meaning of adversity and he has known it from personal experience. We all remember the unfor-

tunate condition which was his before President Roosevelt entered on his first term. The people of the country, by this Congress, and under the leadership of the administration, directed the payment of subsidies to the farmers during that period in order to save many of them from what looked like economic destruction. Congress saw the justice of subsidies then.

It is contended by those who claim to speak for the farmer that he does not want hand-outs or subsidies. Well, no other self-respecting American ordinarily would want them either. It is further said that the payment of food subsidies is not according to the American way of life. Is the mother who stays awake nights, worrying about the safety of her boy at the front, today living according to the American way of life? Is her boy fighting his way through the mud and jungle of a South Pacific island, at the present time enjoying the American way of life? No. Both of them are making sacrifices much greater than what the farmer would have to endure by temporarily accepting the aid of subsidies.

It is important, of course, for the production of food, that the farmer receive an adequate price. In a normal economy an adequate price ordinarily is fixed by the law of supply and demand. But, today, we are not living in a normal economy. If resort is had to the operation of the law of supply and demand then we are going to have trouble, because the demand for food today, considering the needs of the civilian population, military and lend-lease requirements, far exceeds the supply. The results will be disastrous for the consumer here at home. Hence, some Government assistance must be had. That was the reason for the enactment by the Congress of the Price Control Act. But, how can that act be enforced if you take away from the Government a very important weapon needed for its enforcement?

Subsidies are regarded by farmer representatives as something which is so completely alien to our way of life. Yet, it is not so. Often has this country used public money in aid of private enterprise in order to bring about the most good to its citizens. Subsidies have been used to protect manufacturers in the way of discriminatory tariffs; they have been used to assist in the building of railroads; to encourage shipbuilding at home and to maintain an American merchant marine in operation and in other ways. No one would question the excellent purposes served by these mentioned subsidies.

Another objection frequently heard to the use of food subsidies is that they result in taxes for the public. Let us consider the soundness of this objection. We all know that the Government is now engaged in expending record sums of money because of the war effort. Is there anyone who would question the building of new battleships, tanks, airplanes, and guns because they result in taxes? Of course not. We accept these expenditures as necessary incidents in the prosecution of a war for survival. What about food? Is it less important

a weapon than any of those already mentioned?

We have been told that the increase in our farm output since Pearl Harbor has been the largest of any similar period in history. Yet, with this record achievement, we have still been short in our food supply. We know that these shortages cannot have been due to the lack of production, but they were due to the demands brought about by the war. Hence, it is a necessary war expenditure. So that if the Government is compelled to pay subsidies to keep the cost of living down for the average person, why should there be any objection to payment of taxes to meet these payments. Today we do not have a normal cost of living, it is abnormal, made so by the demands of the war. Therefore, we should accept the burden of payments of these taxes in the same spirit in which we pay taxes for increased production of other implements of war.

Mr. Chairman, the residents of the East Side of New York, in company with their fellow-Americans, have given conclusive evidence of their support of the war effort. Literally thousands of their sons are with the armed forces all over the world. Unfortunately, many of them have already made the supreme sacrifice. These people are Americans to the core. They, too, believe in the American way of life. Yet, they recognize an emergency and, knowing that it is best for the country, they are not too proud to accept the aid of subsidies. While they do so, they pray and hope for an early victory, so that we may again enjoy our American democracy, with its free enterprise and normal economy. Let us not add to the already heavy burdens of the American people by taking away from the Government a formidable weapon with which to combat inflation. Do not do away with subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I propose in this brief 10 minutes to present to you a horseback opinion of a Member of Congress, who came from the tailgate of a chuck wagon in a cow camp in Texas. The opinions of such men have been variously colored by the press, by columnists, and by calumnists for quite a period.

I shall not indulge in any repetitions, I hope, but when one adds up the sum and total of statistics which have come by what might be termed short- and long-wave recordings and remote control, I merely want to say that I am not yet ready to sell my birthright as an individual citizen, as a Representative of the Fourteenth Congressional District of Texas, which I have the honor of representing, for any \$6.32 of subsidy, which is the sum total of the complete receipts that would come to the so-called consumers of America if the bill presented by the committee is defeated. I am not that cheap and I do not believe you are.

Mr. Chairman, this is not a discussion of subsidies, this is not a discussion of ceilings. The question to be decided

here before this august body, in the presence of God Almighty, who had more to do with giving us this country than any and all of the men in this great Nation from George Washington down, is different from what they may have contributed. He who marks the sparrow's fall and who gave us reason, who differentiated us from the beasts of the field and the birds of the air and the fish of the sea, was responsible for this great Nation's being able to accept the incomparable responsibilities of this absolutely unequalled hour. It is not a question of subsidies. It is a question far greater than that upon which the States were divided and the freedom of one particular group or race, and by Constitution we have no conceptions of those kinds of divisions. The law applies equally and uniformly to all citizens, if we have what I deem to be an American concept of our Government.

This proposition, as stated by my distinguished friend of over 40 years, the gentleman from Texas, HARROW SUMNERS, in an address made here several years ago, is best expressed as a final laying down of the gauntlet and glove in a challenge as to whether the people of this Nation are competent and capable of self-government or whether we are going to answer the challenge in this Congress by adopting the plan set out here, An Economic Program for American Democracy, written by a group of distinguished gentlemen, the most interesting of whom out of seven Harvard and Tufts economists is Richard V. Gilbert, of the Office of Price Administration. Are they going to substitute this book not only for the Constitution but for every single thing that our sons and daughters, the flower of American manhood and womanhood, are fighting to preserve on the battle fronts of this—and I mean this—Old World?

You are either going to finance this program following both the arithmetic and the logic which is born in the statistical branch of the O. P. A., which has long ere this evidenced both its disrespect and its unwillingness to adhere to either constitutional or substantive law limitations on its operations, and who are willing not only to substitute government by directives for government by law and reason but who are backed by a group who have less conception of what that flag means to me than Richard V. Gilbert and his group know of the cattle industry, of the cotton industry, and all of the industries which produce the food and clothing upon which this Nation depends in its dire hour and upon which our allies and our friends depend.

As far as I am concerned, the bridge is off this afternoon. I have no limitations except my love for our common God and our country in what I say this afternoon—not one. Would that I were of the age to be on the battle front to meet this situation face to face. I repeat, \$6.32, which is the total value that the consumers of this Nation will reap as individuals out of this proposition, is too cheap a price for me to sell out for.

I have three letters here. They are most interesting. A long time ago a cowhand came to the King Ranch for employment. He was barefooted. He had three children and he had never had an opportunity to go to school. He still lives. He still has not been to school. One of his sons served his country. The others all passed on. He spelled "coffee" without using one single letter that fitted into the word as properly spelled. When he ordered 10 pounds of coffee from the storekeeper at the King Ranch he spelled it "k-a-u-g-h-p-h-y."

This is a representative democracy. On my word of honor as a Representative in the Congress of the United States and as an American citizen, I hold in my hand here the only three letters which I have received in support of this infamous proposition to set aside a government of people who know what the flag stands for and substitute therefor government by a group that is represented in print by those whose school of thought belongs to that of Richard V. Gilbert and the seven other economists.

Hesitate, if you will, as Representatives of the American people, to follow my distinguished and able friend from Texas, my colleague, and were he my brother I would still say, though I have only one, "He can go to hell; I still propose to stay in America."

I have three letters here. They come from the same address, 3739 Neptune Avenue, Brooklyn, N. Y.; that is, for two of them. And the name of one is illegible. It is like Wesley Stephens, and the way he spells coffee, "Potemkin." I do not know what you fellows make of it. The other name is from the same address. I am going to insert them in the RECORD. I hope that somebody can decipher the signature; I cannot. It is from the same address. I am going to read you one of them; they are very much the same:

We want subsidies. We must have subsidies to keep prices down.

In other words, to save \$6.32.

We must keep prices down to stop inflation.

I wish I had more time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 5 additional minutes.

Mr. KLEBERG. I appreciate that, sir. I cannot possibly fail to comment that the other letter, the third one, is a copy of a letter addressed to my distinguished friend who made a tolerant and highly American speech, the majority leader, on my side, a Democrat, the gentleman from Massachusetts, the Honorable JOHN McCORMACK. I hold in my heart no higher place in esteem or friendship than I have for the troubled position of that distinguished American from Massachusetts. But this letter, while it contained the backbone of his speech on yesterday, and you read it, the headline says, "Congress of Industrial Organizations," and it is signed by Philip Murray. And, with permission, I ask to include these three letters in the RECORD.

Now for these three letters. Here they are, including one I just read:

BROOKLYN, N. Y.

Mr. KLEBERG: We want subsidies. We must have subsidies to keep prices down. We must keep prices down to stop inflation.

Mrs. S. POTEKIN.

BROOKLYN, N. Y., November 11, 1943.

Representative RICHARD KLEBERG,
House of Representatives.

Washington, D. C.

DEAR SIR: As housewife and citizen of the United States, I earnestly request that you exert your influence in establishing food subsidies.

I believe that this measure is of utmost importance in order to combat the present rise in the cost of food.

Very truly yours,

CONGRESS OF INDUSTRIAL ORGANIZATIONS.

Washington, D. C., November 17, 1943.

MY DEAR CONGRESSMAN: Enclosed is a copy of a letter which I have sent today to Majority Leader McCORMACK on the question of the subsidy issue which comes before the House in connection with the Commodity Credit Corporation bill.

Sincerely yours,

PHILIP MURRAY.

[Enclosure.]

CONGRESS OF INDUSTRIAL ORGANIZATIONS.

Washington, D. C., November 15, 1943.

Hon. JOHN W. McCORMACK,

Majority Leader, House of

Representatives, Washington, D. C.

MY DEAR MR. McCORMACK: The subsidy problem which comes before the House for debate and decision during the course of the next few days constitutes one of the most serious challenges to the efforts of the President to maintain a stable home economy in this critical war period. The consuming public of the Nation looks to you as the responsible leader of the forces of your party in Congress to assure the fullest and most effective support for the President on that issue.

There has been an unfortunate effort from many sources to confuse the crystal-clear issue involved in this subsidy debate. Eight Members of the House Committee on Banking and Currency have pointed out in their report that if we abolish subsidies now the price of more than 24 basic and primary food items will immediately increase from 4 to 20 percent. They have informed the Members of the House that unless subsidies are continued, round steak will be raised 5.2 cents, butter 5 to 9 cents a pound, canned vegetables 1.4 cents, sugar 1 cent. Price Administrator Bowles has added the information that a termination of subsidy payments will mean an increase of 1 cent a quart in the price of milk and 3 cents a pound in the price of cheese.

It has been the very failure of Congress to give full and effective support to control prices up to the present time that has driven labor to seek true stabilization through revision of present wage strictures. Certainly any step which will permit still further price rise redoubles the threat to our Nation's efforts to achieve and maintain a stabilized home front economy.

These threats of runaway prices are threats to the working health and efficiency of American war workers, they are threats to the stability of our entire home economy. The issue in this subsidy fight is whether we shall keep prices within the reach of the men and women and children of America or permit food to be taken off the tables of the American public for the personal profit of special interests. I respectfully urge that no more critical issue has faced you in recent

times and that no issue calls more pressingly for the most effective possible action in support of the President's war program.

Sincerely yours,

PHILIP MURRAY.

In the entire time on this question these are the only three communications, as a Representative in the American Congress, that I have received from the people that I represent and, yes, the people that you represent, in support of this infamous proposition that we substitute a government of blackmail for a government for, of, and by the people. Gentlemen, it will not do. Now, as I take this floor this afternoon I want to call to your attention a few things, and I have all the material here. God knows I wish I had the time to talk to you about it. Here are the facts: I am a Democrat. I resent the implication that any American, even though he be a Republican—mark that—should be responsible for this demand to substitute for a government of law and reason a government by blackmail.

An interesting application would be your study of the recent directive as affecting our industry, the one which I represent, as an individual producer of beef cattle, not beef, and follow through the recent directive issued, not only without sanction over the objection of the entire industry, and the conclusions drawn, I repeat, by some columnists, mostly calumnists, that would suggest that those whom I represent are willing to accept a program of laissez faire and accept the opportunity to charge what the traffic would bear, an abominable accusation of profiteering against Americans who happen to constitute that particular group which at Lexington fired the first shot that was heard around this world. There is no consumer from your district, my good friend, Mr. O'BRIEN, or from my district, or any other Member's district, who, in reason and with American inspiration, remembering what that flag stands for and what these two pictures mean, who supports the infamous proposition of a substitution of a government which must be financed out of the Treasury of the United States, mind you, without authorization, or who supports this infamous document in substitution for the Constitution of the United States.

Mr. Chairman, the book which I hold in my hand is the one I just exhibited to the committee. Its title is "An Economic Program for American Democracy." Its flyleaf after the title recites as follows:

By seven Harvard and Tufts economists: Richard V. Gilbert; George H. Hildebrand, Jr.; Arthur W. Stuart; Maxine Yaple Sweezy; Paul M. Sweezy; Lorie Tarshis; and John D. Wilson.

The Vanguard Press, New York. Copyright, 1938, by the Vanguard Press, Inc.

Mr. Chairman, the copyright provision even will be heeded by me, and I will not quote from this amazing opus—which by this mention may receive at least some sales impetus.

This at least should be pay enough for the authors if, as I hope they may

need it when they go out in this old world to try to make an honest non-subsidized living.

Yes; even if the theme of this book is that private business is totally incompetent to manage itself and that the entire fate of the American people and the very existence of the American people lie in the hands of the Federal Government.

It will, too, if the Congress follows the tactics of Federal bureaus like the O. P. A. and others who ignore the Constitution, laws passed by Congress, and the intention of Congress many times expressed.

Who said anything about pressure groups?

Like my beloved and able friend, the gentleman from Alabama, HENRY STEAGALL, chairman of the committee which reported the bill before us and which I shall support, I have been home, yes; and I visited all over my district, and found then as now that my people, like myself, are not ready to sell out.

If any compromise is made on the proposal such as we know will occur—likewise we do not want even a little bit of it—I shall vote against it.

There can be no compromise with either the subsidy proposal or with the group who propose it or presently administer it.

If this Congress does weaken in the interim and fail to override a possible Presidential veto, just know that lots of folks like me in every congressional district will know that right here we have junked all we hold in trust for them.

Just go back and read the facts leading up to the directive on live cattle, and the laws affecting this transaction, and you have a clear-cut case of the virtue and moral integrity of those who will put the subsidy program into effect.

The record is even worse than the proposed subsidy plan or the compromise proposals yet to come, and God knows this is small comfort; they are bad enough.

This is not a plan to finance a ceiling program; it will finance a stealing program. Upon examination—like a rose called any other name—the smell lingers one and the same.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Did the gentleman from Texas request permission to insert something in the RECORD?

Mr. KLEBERG. I ask unanimous consent, Mr. Chairman, to insert three letters in the RECORD.

The CHAIRMAN. That permission will have to be obtained in the House.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, I am sure that every Member of this House is grateful and deeply appreciates the fine American speech and plea just made by our distinguished colleague the gentleman from Texas [Mr. KLEBERG] to save our way of life and the American concept of government. And like my distinguished friend, it is my considered judgment that what we may properly term the highly

controversial issues involved in this legislation; namely, the payment of consumers' subsidies—which have been so vigorously championed by the gentleman from Texas [Mr. PATMAN] and by my good friend and colleague the gentleman from Oklahoma [Mr. MONROE]—involves one of the most vital and fundamental issues ever to be considered by any Congress during the more than 150 years existence of our Republic. I am not an alarmist, but I say to you, Mr. Chairman, that this new departure and venture on the part of the administration which is sponsored by our friends who brought in the minority report on this bill, and which I believe, if adopted, will mean a full and complete all-out subsidy program, and which will likely cover every commodity produced on the farm, every article which reaches the hands of a processor, and which will mean the complete full and final regimentation of all of the people in this country, and which will involve a complete change of our economic system, as was suggested by my good friend the gentleman from Michigan [Mr. WOLCOTT], this issue is as fundamental, so far as the rights of a free people are concerned and our ability to carry on as a representative democracy, as were the issues which stirred the country into a division in 1850 to 1860 and which finally brought on civil war.

If by commencing with a piece-meal policy of paying a part of the grocery bills of consumers, whether needed or not, through the weapon of taxation—because that is what it means in the long run—who is there to say that after a while we cannot or would not go all the way and just pay all consumer bills?

It involves the same philosophy of those who were telling the people a few years ago that it really did not matter how large the national debt becomes, because, after all, we just owe it to ourselves. Last year I suggested to the collector of internal revenue that I just write my check for income taxes payable to myself, but he did not seem to understand it that way.

It has been argued by the gentleman from Texas [Mr. PATMAN] at least 10 times in the last 30 days that the subsidy paid the producers of copper was analogous and comparable with what he wants to do with this bill. Such comparisons, of course, are ridiculous. It is an argument by analogy—and the analogy is false. We have only a few, a mere handful, of copper producers producing one commodity—copper—which is a highly strategic war material. In order to get copper it was all right, of course, to have the Government step in as a part of the war program and implement the cost of mining this copper.

Let us examine the gentleman's logic a little further. He argues that in the case of copper every dollar paid by the Government to subsidize and increase production has saved the Government \$28.

Now, how can the Government give a subsidy of a dollar to a copper producer and thereby save \$28? The gentleman

is not very clear or very explicit when he makes such a claim, and his explanation of what he means is quite difficult to understand. Presumably what he is trying to say and what he means is this: That we are at present giving subsidies of so much a pound to high-cost copper producers, the amount being the difference between the market price and their cost of production.

Suppose that instead of doing this we had let the market price rise sufficiently to cover this high-cost production? How much larger would our total bill for copper have been? Admittedly, it would have been larger.

The gentleman from Texas says that it would have been larger by an amount equal to 28 times the subsidies we have paid.

What is wrong with such reasoning? Overlooking the fact that most of the difference would have been recovered through the excess-profits tax, we will assume, for the sake of argument, there is nothing much wrong with it, as it applies to copper or to any other highly strategic war material to which we can limit subsidies to high-cost producers. That is the reason, perhaps, that no one has objected particularly to subsidies in these isolated cases; but the fallacy of the gentleman's argument is that in the case of farm production subsidies cannot be so limited.

As I have heretofore suggested, we have only a handful of copper producers. We have more than 6,500,000 farmers. We can allow for the difference in the cost of production between copper producers; we cannot allow for such a difference among farmers. If one farmer gets a subsidy, so must everyone producing the same thing; and since this is true, there can be no multiple saving, such as the gentleman claims.

Incentive payments or consumers' subsidies, roll-backs, or whatever you want to call them, will not increase production. Why do I say that? Because we tried it on butter and the production of butter decreased, and hundreds of dairy farmers sold their dairy herds and quit business. We tried it on cheese, and the cheese supply went down instead of up. The O. P. A. has tried it on beef. Immediately that the roll-back was put into effect, the price of cattle in the producers' hands sharply declined and thousands of producers sold their cattle and quit the business of raising cattle, which, of course, will mean reduced production of beef. The same thing is happening with the hog producers.

You cannot fool the farmers and the ranchers. They know they do not get the benefits of these roll-backs, that they will go to the packers or processors or someone else—and as a result they take the rap and then get out of business, or greatly curtail production because of prices. What the farmers and producers want is not roll-backs or incentive payments—they want a fair, decent price in the market place. That is the only way we will get production, and if we will simply give them a decent price, you need have no fear of inflation,

the ample production will take care of that.

Of course, if you do it that way, you will not need the hordes of political regimentators who would go along with the all-out subsidy plan; and there will not be 130,000,000 checks going out to 130,000,000 consumers, or to thousands of merchants between now and election time next year so that political henchmen will be able to constantly remind those who are receiving the checks what a benevolent and generous "Uncle" they have in Washington. Or, as they used to be so bold as to say down in my congressional district a few years ago, "Here's a check from the President. I am sure you will remember who gave you this check when you are about to cast your vote."

Mr. Chairman, the general objections to consumers' subsidies have been so thoroughly discussed in and out of the Congress the past few months that no good purpose could be accomplished by a detailed review of all of them. Some of the witnesses before the Banking and Currency Committee summarized these objections somewhat in this fashion:

"Subsidies throw the burden which we are able to bear onto future generations. We cannot find words strong enough to express our disapproval of a policy of transferring this cost to the children of the young men who are fighting our battles for us today in every corner of the world.

"Subsidies increase our national debt—a very potent cause of inflation. Subsidies introduce the dangerous doctrine that the state should support its people rather than the people support the state. Subsidies lead to political control, which is extremely hard to break. Of recent years we have seen candidates for office campaign on the promise of continued subsidies which were provided to meet emergencies now long past.

"Subsidies are a demagogue's paradise. They enable him to promise higher prices for the producer and lower costs to the consumer. This cannot be kept up long.

"Probably the worst danger in subsidies lies in the fact that they lead directly to chaos. If we are to use subsidies to meet the steadily increasing cost of production, we will soon have our price structure badly out of balance, and the longer the war continues the more out of balance it will become. When the war is over and we must return to the necessity of balancing the Budget, it takes no stretch of the imagination to realize that we must cut off all unnecessary expenses, and subsidies will be one of the first items to get the ax. Then what happens? Either farmers must increase their prices to get the cost of production or they will have to quit. If we are unwilling to pay the cost of our food bill during these days of the greatest income in all history, when food is costing us a smaller percent of the income than ever before, what chance would farmers have of raising their prices when the boys come back looking for jobs, and the problem of unemploy-

ment stares us in the face? The answer is, None at all. Agriculture would be thrown into a deflation far worse than that which followed the last war, because that war was not complicated by subsidies."

Mr. Chairman, another regrettable thing that has been going on continuously in and out of Congress the last few months, and by many in high places, is the unwarranted and unfounded charge that the farmers are responsible for the increased living costs and that it is the farmer who has and is about to set off the spark that is threatening to consume the country in a conflagration of inflation. I regard these false statements and this tirade that has been used to inflame the American public against the American farmer as the most ridiculous and insidious propaganda that has ever been practiced against the American public, and particularly the American housewife, who largely does the family buying.

Mr. Albert S. Goss, master of the National Grange, which is one of the great farm organizations, very clearly and concisely gave a complete answer to these ridiculous charges and this propaganda when he appeared before the House Committee on Banking and Currency. I quote from his remarks:

Farmers are just as much afraid of inflation as anyone. In fact our organization issued the first warning against the dangerous path we were pursuing before either labor or industry had apparently given it a thought. Before we can determine the cure, let us get at the cause. In offering the roll-back subsidy proposals we are attacking the problem at the wrong point. We are treating the results rather than the cause. There is no reason whatever why the blame for price rises and inflation dangers should all be charged to agriculture. Of the three groups, labor, industry, and agriculture, farmers are the least to blame. If the blame were confined to abuse we would not be appearing before you. We would go right ahead and work our 80 hours a week, as shown by the last farm-labor report, and devote our whole effort to food production. We have not only been subjected to the most terrific abuse and attacks, but we are being made the victims of roll-backs and in some cases are being forced out of production. The time has come when we feel that action is necessary to put a stop to this movement, which will lead to disaster if pursued much further.

We have prepared a table which reveals very clearly where the trouble lies. Before looking at the figures we would like to point out that there has been a lot of confusion over the labor situation. We have had more work to do, more men have been employed, and the total income has gone up sharply. That is natural. In a peace economy this increased employment would result in more consumer goods. Except as this increased labor income may be a contributing cause of inflation by increasing the spending power, the figures on total labor income are meaningless in studying the economic problem.

There are two figures which really help us to see what is going on. The first is the earnings per employed worker. When this is compared with the cost of living it is the gage by which we can measure whether or not wages are adequate to meet such cost. The second, and most important figure from the standpoint of society as a whole, is how much labor is there in the finished product? This

determines the cost of the finished product and is the foundation of our whole price structure. When costs go down prices should go down. When costs go up prices have got

to rise or production is stopped. Now, if you will refer to the table, you will see what has been going on.

The table referred to is as follows:

Economic trends—Corporate earnings based on average quarter, 1939; others based 1935-39

Year and month	Cost of living	Retail food prices	Labor cost per unit of industrial production	Factory pay rolls per employed worker	Increase in corporate earnings after taxes	Increase in corporate earnings before taxes
					Percent	Percent
1940						
January	100	95	97.5	110.2		
February	100	97	98.3	106.5	-5.7	10.8
March	100	96	98.2	105.4		
April	100	96	97.3	105.8		
May	100	97	95.0	106.0	2.6	21.7
June	100	98	93.4	108.0		
July	100	97	96.0	109.3		
August	100	96	99.0	111.5	14.9	34.9
September	100	97	101.6	115.6		
October	100	96	101.5	116.3		
November	100	96	102.2	117.2	62.4	88.3
December	101	97	103.6	120.2		
1941						
January	101	98	105.0	121.1		
February	101	98	104.2	120.4	29.4	98.6
March	101	98	102.7	119.7		
April	102	101	106.9	121.8		
May	103	102	110.4	128.5	67.4	156.5
June	105	106	113.9	133.5		
July	105	107	118.1	136.5		
August	106	108	119.4	135.9	97.3	200.5
September	108	111	121.1	138.5		
October	109	112	121.3	139.6		
November	110	113	125.6	142.0	117.8	230.4
December	110	113	124.6	144.9		
1942						
January	112	116	125.1	149.4		
February	113	117	129.1	151.2	60.1	221.1
March	114	119	133.1	154.4		
April	115	120	136.4	157.1		
May	116	122	139.7	160.1	74.1	249.3
June	116	123	142.0	162.2		
July	117	125	144.9	165.0		
August	118	126	148.1	171.4	89.2	272.2
September	118	127	149.2	174.2		
October	119	130	150.7	177.9		
November	120	131	152.8	181.9	98.3	288.8
December	120	133	155.3	182.7		
1943						
January	121	133	155.9	181.5		
February	121	134	156.4	184.6	84.2	309.9
March	123	137	160.9	188.4		
April	124	141	162.1	191.7		
May	125	143	164.5	194.5	96.2	332.4
June	125	142	167.3	195.1		
July	124	139	165.5	194.1		
August	123	137				

You will note that except in the column on corporate earnings the base period taken was the 5-year period 1935-39, the 5 years just before the beginning of the World War. During that period, agriculture was not far from an all-time low with an average per capita net income of \$172, including Government payments, as compared with non-farm per capita income of \$623. So you can see agriculture had a long way to go before it reached a comparable starting point. Now, let us see what the table reveals. Following the outbreak of the war, industry took a spurt. Wages went up somewhat, but because of the increased volume the cost per unit of output went down. These figures are shown in the fourth and fifth columns. Food prices were below the previous 5-year average, which I pointed out was near an all-time low, and the cost of living remained level until December of 1940, when it went up 1 percent.

Let us look at those 1940 figures a moment and notice what happened. Everything stayed fairly level till midyear with costs of finished products going down because of increased volume. Then both wages and earnings started to rise sharply. It was not the cost of living that sent them up. That remained stationary, with food prices very low. Had labor and industry been content with reasonable levels, and reduced the price of the industrial product as increased volume reduced costs, the result would have been a

decreased cost of living, and we would have developed a healthy low-price level, a condition which contributes toward abundance. By the end of the year, labor had increased its per capita income 20 percent, industry had increased its net income 62 percent, the cost of consumers' goods had risen 10 percent in 6 months to an index of 103.6, and the cost of living had started up, but food prices were still very low. Labor and industry had led out in a sharp upward swing.

Of course, this affected all costs, including farm costs, and unless the upward swing of labor and industry could be halted, farm prices had to rise or farmers would be closed out. The trend continued. By midspring retail food prices had gone up to the 5-year pre-war average and the cost of living had gone up 2 percent. The increase in the cost per unit of production had gone up about 7 percent, and wages approximately 22 percent. By midyear the cost of food had gone up to 6 percent, the cost of living to 5 percent, the labor income per individual had gone up to 33.5 percent—the labor cost of the finished product had gone up 13.9 percent, and corporate earnings had gone up 67.4 percent. About this time we began to start efforts at price control.

The Leon Henderson philosophy entered the picture. He made the position of the administration very clear in a letter to the chairman of the House Appropriations Committee in which he argued that nothing

should be done to control wages, and that profits arising from increased volume should go largely to the wage earner, instead of reducing the price to the consumer. The committee will recall how vigorously he fought any control of wages for possibly a year or more, until finally they had gone up 74.2 percent by last September as compared to an increase in living costs of 18 percent, a ratio of more than 4 to 1. Industrial earnings had gone to 89.2 percent, or nearly five times as high as living costs.

Incidentally, the heads of our two great labor unions are the chief proponents of a demand that food costs be rolled back 10 points to the level of last September, while industrial labor income per individual has increased 20 points during this same period and the cost per unit of manufactured production has increased 15 points. Farm costs have gone up far more than the 10 points they are demanding, although I do not have exact figures upon farm cost increase.

But let us return to the table about mid-year 1941. From that point on you will note that food prices have increased faster than the cost of living, although at no time have they ever increased anywhere near as fast as the income of individual wage workers or corporate earnings. The increase has been less than half as fast. The reason for the increase is fairly plain. The farmer was being hit from two directions. His cost of living was being forced up the same as that of everybody else, and he had had to contend with the sharpest increase in wages of any domestic industry. In fact, except for ocean transportation where bonuses are paid for entering the war zones, farm wages exceed all others in rate of increase by a wide margin. The following table shows the 10 industries having the highest rate of wage increase since 1941:

	Percent
Water transportation.....	96.7
Farm labor.....	81.1
Quarrying and nonmetallic mining.....	61.5
Anthracite mining.....	72.0
All manufacturing.....	59.5
All durable manufacturing.....	59.2
Bituminous mining.....	59.2
Shipbuilding.....	58.7
Textile mill products.....	53.0
Iron and steel.....	51.5

But note that farm wages have gone up 81.1 percent, the highest of all. Thus it will be seen that farm costs have been under terrific upward pressure, and this must be reflected in food prices if we are to have food. Let us return to the first table. Three things stand out very clearly.

1. The cost of living did not advance a single point until labor and industry had led out and attained a dizzy pace.
2. Food prices stayed down for some months until the increased cost of living and increased wages forced them up.
3. We have been on a rising spiral ever since labor and industry set the pace, but throughout this whole period labor costs, labor income, and corporate earnings have gone up from two to four times as fast as the increase in living costs.

Labor and industry started the upward swing months ahead of agriculture and before there was an increase in the cost of living, and they have continued to lead the field by a very wide margin to this day. Labor is still going up three or four times as fast as the cost of living, and is threatening strikes if it cannot get increases or a roll-back on food prices.

The suprising thing about it all is that while we are having substantial inflation of wages and corporate earnings, food, which is being so severely attacked, is the least to blame. We are still the best fed Nation on earth and we are spending the lowest percent of our income for food. In fact, we are

spending a lower percent of our income for food than ever before.

Mr. Chairman, with these daily blasts going out from Members of Congress and others in high places, charging the farmer and his friends in Congress with being responsible for food shortages, excessive prices, and a hundred other things, is it any wonder that the farmers generally, throughout the country, are bewildered?

While farmers generally recognize that to win the war, food is as necessary as guns, and while they are determined to produce foods to the limit of their physical and financial ability, they are now so bewildered that they cannot intelligently plan for the future; and this, in my humble judgment, is because of the fact that there have been so many conflicting and shifting policies established and so many conflicting statements made by the Washington officials.

To obtain maximum production of food in 1944 it is necessary for farmers to know that, except as affected by drouths, floods, pests, and other uncontrollable forces, the prices they receive will be sufficient at least to cover production costs.

Mr. Chairman, I suggested at the outset that in my humble judgment this so-called consumer subsidy program strikes at the very vitals and fundamentals necessary to the preservation of our form of Government. There can be no compromise. This Congress must act, and act now, firmly and decisively, on this fundamental issue. We will either stand steadfast for the free enterprise system, or we will surrender to a system of planned economy and one based on national socialism. There can be no halfway compromise; and I am not willing to surrender to this totalitarian scheme at the rate of \$900,000,000 a year, as has been suggested by my colleague from Oklahoma [Mr. MONRONEY].

Few people realize how far we have traveled in this country during the last decade—we have been following a rough and rocky path, step by step, which one after another of the European nations have trod; and in my opinion such a course can only lead to the same destination that it has led them over there, and that is to bankruptcy and ruin.

We have allowed our Government to expand its activities into every branch of free enterprise, and to expand its domination over every activity of the private citizen. We have allowed the administration that promised to reduce by 25 percent the cost of Government in peacetimes to double and triple our cost of Government and our taxes. We have furnished the money for an overexpanding bureaucracy until there are hundreds of thousands of bureaucrats and gestapos at our elbows day and night, telling us what we can and cannot do, until we are no longer able to conduct business on a competitive basis as was intended under our system.

If we continue to adopt such totalitarian philosophy, we will not only destroy our own Government, but we will also destroy our ability to help the peo-

ples in the other countries to establish for themselves a government that will contribute to their progress. If we cannot help the Europeans by an example of honest constitutional government, we certainly cannot help them by adopting their own failing, totalitarian philosophy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. SLAUGHTER].

Mr. SLAUGHTER. Mr. Chairman, during my limited service in the House, I have never seen nor heard a bill discussed as fully, as well, or as intelligently as the one that has been under discussion for the past 2 days. Though I cannot agree with the conclusions reached by the distinguished gentleman from Texas [Mr. PATMAN], in my opinion he has done a good job in marshaling as best he can the facts and circumstances that might be built up for subsidies. Likewise, and by the same token, I have never heard a better prepared address nor a more scholarly one than was delivered this morning by the gentleman from Oklahoma [Mr. MONRONEY]. Not only in the case of these gentlemen but so far as the other advocates of the subsidy program are concerned, I ascribe good motives to their proposition and to the position they have taken; furthermore, I concede the proposition that they may be correct in their position, but in conceding that there may be valid reasons that could be given in support of their position, for they may be right, and we who oppose the subsidies may be wrong—we come in the last analysis to the proposition that all we can do in this body is to sit in the position of a jury, listen to the evidence in the committee and to the arguments in this Chamber, then make up our mind as to where we are.

Personally I think there is a lot of underbrush that can and should be swept aside on both sides of this argument. There are arguments that have been advanced by both sides which are totally fallacious. For instance, I heard some of the opponents of the subsidy program, with whom I line up in this fight, make the statement that the subsidy program robs the farmer of his independence. I cannot see that there is very much weight in that argument because it is a matter of common knowledge that in years gone by the farmers were quick to take the A. A. A. payments, the corn-hog money and any other benefits that a subsidy provided. Consequently, the argument is totally erroneous. On the other hand, it seems to me that the argument of the Treasury is very far afield when the administration speaks on the one hand about dangerous money, four-fifths of which they say is in the hands of persons earning less than four or five thousand dollars a year, and should be siphoned off, while at the same time it advocates subsidies to decrease the cost of living of this same group. I say the administration may be correct on either proposition, but not on both, for these two positions are as far apart as the poles

and are as inconsistent as any two positions can be.

In the last analysis the true reason and the true argument that can and should be advanced against subsidies and which, in my humble judgment, will stand up against any attack, involves two propositions: First, any subsidy that could conceivably be borne by the Federal Treasury would be futile. It has been estimated a subsidy of \$485,000,000, a half-billion dollars, would reduce the cost of living of a family of four just 30 cents a week, which is a negligible amount, of course. Even if the amount were broadened to the extent of a billion dollars, it would mean about 60 cents a week for a family of four. But over and above that, there is a principle that goes far deeper and which, in my judgment, is far more dangerous.

It has been argued here by the proponents of subsidies that this country has always had subsidies. Perhaps that is true. They have pointed out that the railroads were subsidized; they pointed out that various other groups have received the benefits of subsidies, but they overlook one important proposition. Let us take the railroads, for instance; the railroads which were receiving the subsidy were receiving it from the great majority of people who were paying it and were not on the receiving end, consequently there was of necessity always a watchdog or a potential watchdog in reserve to stop that subsidy and to check it. The day we start to give subsidies to every man, woman, and child in this country, we set up the greatest lobby that has ever been conceived, a lobby whose strength and power exceed all imagination and which will in time swallow up and bankrupt this entire Government. It takes a lot less courage today, I submit, to turn down this proposal when times are good and everyone employed than it will when six or seven million people are unemployed. If we take this step now, we are just scratching the surface and opening the doors, and when this war is over and when the inevitable reaction sets in, we will be faced with a situation that, in my judgment, will swallow up the national solvency of this country.

Mr. BROWN of Georgia. Mr. Chairman, I yield 7 minutes to the gentleman from New Mexico [Mr. ANDERSON].

Mr. ANDERSON of New Mexico. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include certain tables prepared by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico [Mr. ANDERSON]?

There was no objection.

Mr. ANDERSON of New Mexico. Mr. Chairman, the vote on this matter for a person who operates a farm and who, therefore, may be regarded as having a selfish interest is not a particularly easy one. I only wish to say in explanation of my position that I am one of those Members of the House who originally voted for the so-called Gore bill to control all prices. I believed then and I believe now that it was the best bill that

has been before this House. I was one of 68 who went down in slaughter when that bill came to the floor of the House.

I voted against the first price-control bill because I thought it was not a good bill. It involved no firm control of either labor or farm prices, as I saw it, and I felt it would not work. I voted subsequently to sustain the President's veto of a commodity credit bill because I felt we had a right to experiment with the problem of subsidies and see whether or not they would work while there was a serious effort being made by the War Labor Board to hold the line. It has only been when I have seen that effort to hold the line completely fail, when I have observed that wages were continuing to go on up beyond the figures of the War Labor Board, that I concluded it was my responsibility as a Member of the House to vote for this bill which the Banking and Currency Committee has brought out.

I have a number of telegrams and a number of messages. I shall not try to read them all. I have a telegram here from the president of the New Mexico Cattle Growers Association, E. G. Hayward, pleading with me to go along with the western groups of livestock men. It reads in part:

Sincerely hope you will go along with New Mexico livestock and farming interests in opposing farm subsidies. It is a noteworthy fact that at the Senate Agricultural Committee hearing all farm and livestock groups of the entire United States are of one opinion in their opposition to farm subsidies. The uncertainties and lack of confidence in the minds of the feeder buyers caused by O. P. A. regulations of live price ceilings, roll-backs, and the subsidy program have caused stagnation in the cattle sales in New Mexico. We are faced with 3- to 5-cent drop in price of feeder calves and no sales or no demand even at these reduced prices.

E. G. HAYWARD,
President,

New Mexico Cattle Growers Association.

I found during the time I was at home this summer that the farmers seemed to have some things bothering them, and during that time I went to several farm-bureau meetings to meet with the farmers and to find out what those problems were. Every time the farmers asked me to vote against subsidies, and every time I stood up and argued with them that I had voted for subsidies to hold prices down and control inflation, and that as the matter was then being conducted, I was going to continue to vote for subsidies. But I based that on one thing,

a proviso that the line be strictly held and there be no increases in wages or other prices. I do not have to tell this group that it did not take me all summer to find out that this line had not been strictly held.

I received on the 6th day of August a quotation on alfalfa seed of 28 cents a pound. I received on the 26th of August a quotation of 40 cents a pound. I saw the price of cottonseed cake go completely out of sight, and I knew in the terms of my own dairy that my farm was in difficulty.

I have here a bulletin on the dairy situation published by the United States Department of Agriculture for November 1943. This is not an antiquated nor a completely obsolete document. It is one that just now, within the last 24 or 48 hours, has come in the mails. The very first paragraph of it reads:

Total milk production on farms in September was 2.5 percent below production a year earlier. Larger amounts of evaporated milk and dried whole milk were produced. Nearly all the remaining dairy products showed more than seasonal decline and were produced in smaller amounts than a year ago.

I could read you a great deal more from that document to evidence that the situation in the dairy business was not too good.

I went back to my farm from these farmer meetings and tried to find out in terms of my own experience what was wrong. I hope that my operation is large enough so I have a chance to get a cross section. I was at that time milking between 150 and 200 cows, 173 at the period when I made the closest check, and I think that is sufficiently large that it gave a chance to get a typical experience. My dairy was about an average one. It produced an average of 8,614 pounds of milk per cow last year, whereas the national average was 4,576. It produced 312 pounds of butterfat per cow. Therefore, I felt that I had a right to regard it as a normal operation. What has happened on my place? I have prepared a table which I intend to insert at this point in the RECORD. It is based upon a new formula for my dairy, a 16-percent protein-grain mixture, which I am feeding the cows. Formerly we used some corn, but not now. It shows, based on sales slips from stores selling feed, not imaginary figures, that the cost per ton of my feed mixture has changed from October 1941 from \$39.47 to \$48.29 in 1942, and \$66.60 in 1943. Here is the table:

TABLE A.—Feed and labor costs by years, using 16 percent protein grain mixture

	Pounds	October 1941		October 1942		October 1943	
		Price	Cost	Price	Cost	Price	Cost
		Per cwt.		Per cwt.		Per cwt.	
Ground barley.....	750	\$1.95	\$14.62	\$2.30	\$17.25	\$3.50	\$26.25
Ground oats.....	750	1.90	14.25	2.60	19.50	3.50	26.25
Wheat bran.....	200	1.85	3.70	2.25	4.50	2.41	4.82
Cottonseed meal.....	280	2.40	6.72	2.45	6.86	3.25	9.10
Salt.....	20	.90	.18	.90	.18	.90	.18
Total (ton cost).....	2,000		39.47		48.29		66.60
Costs per hundredweight.....			1.97		2.41		3.33
Grain cost per cow per day (6 pounds).....			.118		.144		.199
Hay costs per ton.....			8.00		18.00		20.00
Hay cost per cow per day (24 pounds).....			.096		.216		.36

Labor costs per day per cow

	Cents
October 1941.....	7
October 1942.....	9
October 1943.....	12½

Let me say to you that these figures are kept by a trained accountant who is in charge of that farm but who went to that farm from an accounting office. Accurate books are necessary to produce reliable figures of this nature.

Therefore, the cost of grain per day per cow has gone from 11 cents to 20 cents in that period. The cost of hay per day per cow has gone from 9.6 cents to 36 cents.

You may say, "Where do you get the basic figures?" To you people who do not keep cows and dairies, may I explain that we feed a cow 2 pounds of alfalfa per day for each 100 pounds of weight, and a 1,200-pound cow would take 24 pounds of alfalfa daily on that basis.

To get sufficient protein we have to feed that cow 6 pounds of grain per day. These figures, then, are based upon accurate studies and based also upon the best known methods of feeding in a dairy.

My labor costs have been easy to compute. In 1941 I paid milkers 7 cents per day per cow. In 1942 I paid 9 cents per day per cow. Sensing a labor shortage, I put in milking machines in the early part of that year. This year my costs have gone to 12½ cents per day per cow. I give you those figures because I think it may interest you to see what the problem has been.

What does the daily production cost become? I find that my daily production cost—and here again I will insert the table in the Record at this point—for producing eighty-five one-hundredths of a pound of butterfat was 30 cents in 1941 for feed and grain, 47 cents in October of 1942, and 71 cents in 1943—from 30 cents to 71 cents. This is the table:

Daily production costs

	October		
	1941	1942	1943
	Cents	Cents	Cents
Alfalfa hay, 24 pounds.....	9.6	21.6	36.0
16 percent grain, 6 pounds.....	11.8	14.4	19.9
Labor.....	7.0	9.0	12.5
Miscellaneous.....	1.7	2.0	3.0
Cost of producing 0.85½ pound of butterfat.....	30.1	47.0	71.4
October price per pound of butterfat, 1941, 62 cents; 1942, 80 cents; 1943, 92 cents.....			
Price received for 0.85½ pound of butterfat.....	53.01	68.4	78.66
Margin per day per cow.....	22.91	21.4	17.26
Feed and labor cost of producing 1 pound butterfat in October 1943.....			84.0
Price received.....			92.0

¹ Out of margin farmer must pay insurance, taxes, interest on investment, water, gas, lights, fence upkeep, milking machine upkeep, delivery expense, keeping of the bulls and calves, etc.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 3 additional minutes to the gentleman from New Mexico.

Mr. ANDERSON of New Mexico. Here, then, is our problem: The 7.26-cent margin per cow per day plus 85.5 percent of an 11-cent subsidy—this being the amount of subsidy per pound of butterfat when the subsidy is 40 cents per hundred pounds of fluid milk—still leaves us behind our gross profit for the years 1941 and 1942. A ½-cent increase per quart, or approximately 8 cents per pound of butterfat, would mean an increase in the daily income per cow of 85.5 percent of 8 cents, or 6.84 cents. This figure added to the 7.26-cent margin plus the 9.4-cent subsidy would produce a total margin of 23.50 cents per day, which is approximately the 1941 margin of 22.91 cents. Since this margin must take care of the keep of bulls, calves, the upkeep of machinery, the expense of delivery, the cost of gas, light, and water, an even greater increase on margin would be indicated, and certainly nothing less would bring any degree of parity.

It could be argued that the figures I have given are not typical, or it might be contended that, even though they are based on actual sales slips for milk and on feed bills for which checks have been written, they are not completely accurate.

Fortunately, I have an extremely good check on my calculations. A former Member of this House, the Honorable Albert G. Simms, and Mrs. Simms, the former Ruth Hanna McCormick, also a former Member of this House, are the owners of another Albuquerque dairy. They conduct a businesslike, progressive, well-managed establishment, a model in every way. I wish I could insert all the figures which Mr. Simms has supplied me, but the interesting fact is that they confirm almost to a penny the figures which my own dairy has developed.

The Simms Dairy uses a ration which gives the average milk cow 10 pounds of mixed grain, 25 pounds of alfalfa, and 40 pounds of corn silage each day. The cost of that feed mixture in August 1942, according to the books of the dairy, was 40 cents and in August of 1943 was 87 cents. My corresponding figures were 36 cents in 1942 and 56 cents in 1943, but I use a mixture which does not produce as great a volume of milk, and my feed costs are therefore slightly lower.

On the other hand, labor costs at the Simms Dairy are slightly higher than my costs due to the fact that there are more machine operations and that ensilage is fed to the cattle. The labor cost per cow per day for August 1942 at the Simms Dairy was 12.3 cents and in August 1943 was 19.3 cents. Adding these amounts, the feed and labor costs per cow per day was 52.3 cents in 1942 and \$1.063 in 1943.

From these we can calculate the feed and labor cost of a pound of butterfat. The cows at the Simms Dairy produce 35 pounds of milk per day, and in August this milk would contain an average of 3.6 percent butterfat. Therefore, the cost of 100 pounds of fluid milk in 1942 was \$1.50 and in 1943 was \$3.04. The cost of producing a pound of butterfat

in August 1942 was 42 cents and in August 1943 was 84 cents.

To me the interesting part of these figures is the fact that my feed and labor costs for producing 1 pound of butterfat in October 1943 and Mr. Simms' cost records for producing a pound of butterfat in August of 1943 were exactly the same figure, 84 cents.

I did not stop there. I checked with George W. Barte, L. G. Zartman, J. S. Bowers, G. W. Thatcher, and other milk producers at Albuquerque to get the figures. Every dairy operator uses a little different feed mixture, makes available a little more or a little less ensilage, uses a little more or a little less hired labor, and the figures are not completely uniform, but they follow very closely the pattern of the two dairies I have just listed. Their figures show that the total feed and labor costs for 100 pounds of milk were \$2.19 in 1941, \$2.67 in 1942, and \$3.77 in 1943. When you realize that 100 pounds of fluid milk would produce about 4 pounds of butterfat at 92 cents a pound, or \$3.68 in 1943 as against a cost of \$3.77 for labor and feed alone, you realize what the farmer was up against because to that deficit must be added his costs for power, light, insurance, transportation, the keeping of bulls, and a whole host of other items.

When I saw those figures I began to understand the opposition of farmers to subsidies. The subsidy is used to cure what O. P. A. should have cured by an increase in the price of milk. The difficulties are never the same in every town. The subsidy cannot be evenly spread, and the farmer is always getting just a little bit less than his average costs because of the temptation to keep the subsidy low.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I believe this is the sort of information the Members of the House are glad to receive. I believe that this is the sort of information that really does us good. I compliment the gentleman from New Mexico on his splendid address.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the gentleman, who is a very practical producer, is he more likely to maintain and produce an increased production of milk and milk products under a marketing mechanism which does not force him to use subsidies, or is he more likely to expand production under a subsidy program such as now proposed by the administration?

Mr. ANDERSON of New Mexico. I can answer that very quickly. I will say that I would not expand my dairy production under the subsidy program. I had about determined that I was going to have to sell a large portion of my dairy herd, and may have to follow Secretary Morgenthau's example and still do it, because the subsidy is inflexible. It cannot be quickly adapted to changing conditions,

and is generally applied evenly over an entire area, whereas you may have one individual pocket where prices are inadequate that is causing all the trouble. Milk prices in my home town are not sufficient. Milk prices in some other towns in my State seem ample, and in other towns may be more than sufficient. Yet when the subsidy was put on, every town was treated alike. The town where Senator HATCH lives, the town of Clovis, N. Mex., was probably worse hit than any city in the State, but received the same subsidy as did any other city. It is that inflexible part of the subsidy that I do not like. A free commerce will let prices seek the level that local conditions may require.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Michigan.

Mr. DONDERO. If that applies to the gentleman it will apply to all other farmers having dairy herds.

Mr. ANDERSON of New Mexico. I do not know as to that. I only know how it hit me.

Mr. DONDERO. Has the gentleman allowed, as part of the cost, depreciation and the cost of maintenance of his capital structure?

Mr. ANDERSON of New Mexico. I have not handled it that way exactly, no; but I have tried to figure what a businessman would do if he were trying to calculate the costs, and I have found that the situation has grown progressively worse. Even with the subsidy I am in far worse shape today than I was in 1941, and have plenty of figures to produce the evidence to show that that is correct.

The farmer's great difficulty has been that once the price of milk is fixed, the items entering into the price of milk continue to advance. We were given a price of milk based upon certain developed costs, and then the price of cottonseed cake, of alfalfa, of labor, and of about everything else that has entered into the production of milk was allowed gradually to rise, with the result that what might have been a fair price in January of 1942 became an unfair price in January of 1943, and that by the time it was corrected in the middle of 1943, prices had already gone up on other products so that it was again completely out of line.

I do not think that the administration could have selected a better man than Judge Marvin Jones to administer the subsidy program and to have assumed responsibility for the production of food. But he cannot work miracles—sympathetic as he is to the problems of the farmer.

When one price gets out of line, other prices have to be adjusted. Because we did not have one over-all and all-powerful regulating agency, we found individual price increases whittling away at the relationship between production costs and selling costs on almost every item that the farmer has produced. The result has been the picture that The Dairy Situation for November 1943 gives us.

I quote now from page 4 of the November issue:

Reflecting the lowest production per cow for October 1 since 1939 and the lowest percentage of cows milked on that date in 15 years, total milk production of farms in September is estimated at 9,255,000,000 pounds. This was a decline of 12.5 percent from August, compared with a normal decline of 10 percent.

On page 5 we find an item with reference to butter production. It reads:

Butter production in September was 126,485,000 pounds, the lowest for that month since 1931.

That is the story all the way along the line, and it will be the story until prices are allowed to reach the point where the farmer can find it attractive to retain his herds and develop, rather than decrease, his production.

The CHAIRMAN. The time of the gentleman from New Mexico has again expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania, [Mr. DITTER] may extend his remarks at this point.

The CHAIRMAN. Is there objection? There was no objection.

Mr. DITTER. Mr. Chairman, the issue before the House is a simple one—will subsidies provide a sound and substantial barrier to further inflationary trends? On this issue I find myself in disagreement with the President. He has sent a lengthy message to the Congress urging the adoption of a subsidy program. The President's message is skillfully drawn. It is a perfect specimen of capable craftsmanship—a persuasive campaign document. Certain assertions are made which are so obvious that to take exception to them would be foolhardy. I find it difficult, however, to find the pertinency of some of these statements to the issue before us. The President declares that food is a weapon of war. That is a self-evident fact. I am at a loss, however, to see how the granting of a subsidy will produce more of these weapons of war. I am in agreement with the assertion that the disasters of inflation should be avoided. But that assertion does not answer the question which concerns me: How will subsidies aid in the control of the flood of purchasing power let loose by an ever-increasing wage program in a market of decreasing available goods? Other instances might be cited of immaterial assertions.

The President's message would have been much more convincing had it said in so many words how subsidies would halt the flow of purchasing power, how subsidies would let loose a larger volume of purchasable goods, how subsidies would produce one additional bushel of wheat or corn, how taking funds out of the taxpayer's pocket, administering the funds by a Federal agency with its attendant cost, and then distributing the balance of the fund as a subsidy, amounts to anything other than a financial fallacy. One might imagine that subsidies were like the manna in the wilderness—a providence of God. Make no mistake

about it, this is not the case. Subsidies, like all other Federal funds gathered by the taxpayer, are earned in the sweat of every man who labors and of every woman, too.

As I contemplate the concern manifested by the administration over the dangers of inflation, I cannot dismiss from my mind the general loose and easy money policies—inflationary policies—which have characterized the New Deal from the beginning. An easy spending policy is inevitably an inflationary policy.

I realize that many feel it is futile to attempt to change the fixed policy of the administration—the policy which ignores completely the stress and strain imposed on the men and women who pay taxes by every additional dollar of Federal expenditure.

It might be vain in this day of wildcat spending, of political juggling, to urge caution in appropriations, but the time will come when the fallacy of subsidizing our existence will be brought home to the American people with just as much forcefulness as the worthlessness of W. P. A. leaf raking proved to be a few years ago. It may be useless at this time to advocate common sense, but I am convinced the time will come when our people will see all too clearly that a cost-of-living standard which depends on Government grants cannot be substantial.

Gratuities and bounties have always appeared to be the way of life of the New Deal. Today the administration sounds a warning against inflation—a condition which has already been felt by every householder in the land. The condition is a critical one. The President insists that subsidies will provide a remedy for the threatened ills. The suggested remedy is in line with the New Deal's usual policy—spend, give gratuities of one kind or another—to give strength to the impotency of the New Deal.

It is well known that recent policies of the administration in dealing with certain labor demands has resulted in making greater the purchasing power of the people. I find it difficult to grasp the genuineness of concern over inflation in the light of what appears to be a fixed policy in other fields of our economic life. What positive position has the President taken to keep in check the purchasing power growing directly out of the war effort? Are we to assume that one standard applies in one case and an entirely different standard in another. Are we to assume that additional dollars can be pumped into the purchasing stream on one hand, then subsidies provided such as recommended by the President, and the net result will be anti-inflationary? Is this the justification for an additional Treasury raid? How will subsidies give strength to our people in the battle of inflation? Can it be said that it will be encouraging and stimulating to our fighting men, challenged as they are to be courageous, to learn that the drug of subsidies must be resorted to, rather than all-out stand against unwarranted demands of labor leaders? Apparently

offensives are desirable on the fighting fronts while a delaying and retreating action is necessary on the home front.

Try as I will I can find no other excuse for the administration's attitude than the political advantage that may accrue from a "keep everybody happy" program. I am driven to this conclusion as I see the wishy-washy methods used in dealing with every factor entering into our economic problem. Subsidies are no doubt palatable. We cannot dismiss from our minds the assurances given by the President when he urged the adoption of an emergency price-control measure that the wage factor, admittedly a very important factor in the inflation problem, could be left to him. The record can speak for itself as to the outcome of that commitment.

I cannot close without making reference to what I believe to be something more dangerous even than the threat of inflation. As a people we are solely in need of a reestablishment of faith in the integrity of Government. I do not believe subsidies will contribute to the reestablishment of that faith.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. FELLOWS].

Mr. FELLOWS. Mr. Chairman, I am in favor of this bill. The House has under consideration H. R. 3477, which is a bill to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets and for other purposes.

One of the other purposes is found in section 3, which prohibits the use of funds appropriated to or borrowed by or in custody or control of any governmental agency as a consumer subsidy. This bill does not interfere with any operation of the Commodity Credit Corporation producer subsidies or loans authorized under existing law.

The issue revolves around the question of whether the Federal Treasury shall pay the proposed consumer subsidies and continue to pay those already in operation.

The question here is not one of paying subsidies for production. The question is not whether it is advisable to pay producers to encourage production. The question here is whether the consumer shall be paid a subsidy.

The State of Maine produced, among other things in the year 1943, more than 70,000,000 bushels of white potatoes—enough to feed the armed forces of the United States for a year. The official figures indicate this required 192,000 acres. As a matter of fact the best figures indicate nearer 200,000 acres, a tremendous increase over previous years. The farmers of Maine are an alert, capable, conservative group of men and women who believe in and love our form of government.

These men and women are opposed to consumer subsidies, not for selfish reasons, for whether this bill is passed or not they will not be directly affected. They see in the efforts of certain groups in Washington to roll back prices and

make up the difference from the Federal Treasury a step that will inevitably lead to the complete socialization of agriculture in America. This step toward regimentation and control will lead to another, until free enterprise on the farm will be a thing of the past.

So-called consumer subsidies are already in operation to a limited extent. On these articles the farmer receives no more and no less. The price to the consumer is reduced and the Federal Treasury makes up the difference. The consumer subsidy and roll-back advocated would put upon the future taxpayers of this country—the returning soldiers, and others—the obligation to pay from taxes or borrowed money a portion of the grocery bills of this present generation now employed on the home front at regular or higher wages, while the said soldiers fight at \$50 a month to defend free enterprise. It is claimed by spokesmen of the administration that unless the Government is allowed to do this, the forces of inflation will have free rein. Why?

It does not appear why. And I have waited in vain for some sound reason to support that view. This has nothing to do with placing ceilings upon articles. The O. P. A. does that. This has nothing to do with siphoning off purchasing power. The same amount of money will be in circulation if section 3 of this bill is defeated. This has nothing to do with increasing production, because the producer takes nothing whether this bill is passed or not.

It does have something to do with the future of free enterprise in America.

The next avowed purpose of the administration is to purchase some or all of the products of the farm and sell directly to the consumer at a loss.

If this is not socializing America, what is it?

There is no need of extended argument on this question. The ground has been ably covered by the distinguished chairman of the Banking and Currency Committee, the gentleman from Alabama [Mr. STAGALL] and the ranking minority Member, the gentleman from Michigan [Mr. WOLCOTT], who has completely answered the suggestion that the passage of this bill will have a tendency to increase inflation.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I should like to relate to the House this afternoon an incident that determined my own convictions on the matter now pending. Late in September I addressed a letter to Marvin Jones, the War Food Administrator, pointing out in my rather humble and untutored way, that while I pretended to be no expert in the field of agriculture, I could see when the grasses failed upon the range, range cattle would have to go into market, since the feeders could not afford to buy them and feed them in the Corn Belt. I indicated my best guess was it probably would reach the peak of cattle movement in December and that in con-

nection therewith there would be a heavy hog run so that the packing facilities of the country would be taxed to the limit. That I could sense already, because anyone in looking at the receipts of 27 primary markets could observe nearly 1,000,000 head of hogs were moving in every week. They did not necessarily tax the facilities of the packing plants. The real difficulty was that a plant could accept no more hogs than at the rate at which it could dispose of the pork products. And if there were no outlets manifestly there was no use in buying more hogs than they could slaughter and dispose of. I suggested then to Mr. Jones that they remove all the restrictions from pork, remove all the rationing restrictions for a period of 90 days; let the people enjoy a succulent pork chop for a little while. Let them enjoy some very juicy and toothsome bacon to their heart's content. Let there be a field day in pork, because we had more hogs than at any other time in the record of the agricultural history of the country. Mr. Jones' office acknowledged the letter, and said they were some rather timely and meritorious observations, but they had other plans.

They proposed to develop orderly marketing through committees. I watched, with bated breath, as we moved on into the field of chaos. We are there now, 2 months later. Did you observe Mr. Jones' release on yesterday? There is a glut; there are too many hogs now for our slaughter facilities. Yes, livestock men knew that months ago even if the Government did not know it. So it is proposed now to say to every farmer under the release issued yesterday that he can slaughter hogs on the farm to his heart's content and he will require no license to sell the meat in the market. You observed the headlines yesterday in the Washington newspapers to the effect that the requirements of rationing points on pork have been diminished by 2 points per pound. Mr. Jones did not go far enough, nor did the O. P. A. They should have taken them off entirely, because that is not going to meet the situation. We are moving into the danger zone and with each passing month it gets infinitely worse. If they make that kind of mistake I shall not be a party to providing any more instrumentalities to make any more mistakes.

We cannot afford any more mistakes. There is an element of morale that is involved here. There is an element of balance that is involved. There is an element of confidence on the part of the producers that is involved here and if you disturb it too seriously, I rather fear for the ultimate results so far as production is concerned. Did not the President, after all, in his subsidy message, admit that there was not sufficient food to go around? And then he said there must be enough of the right kind, at the right time, in the right place. And those six words mean what? They mean planned production. And that does not sit with the farmers of the United States of America. To carry that out, he asked for subsidies, and I am opposed for many

reasons. But I give you this illustration of how War Food in my considered judgment erred in meeting the present meat problem. I feel very humble when I let my judgment enter into contest with that of a man so skilled in the field of agriculture as our former beloved colleague, Marvin Jones, yet in all humility I say a great mistake was made. They admit it now. They admitted it in the release that issued from War Food yesterday to the country. So I reiterate, I do not propose to be a party to more mistakes. I would rather err on the other side.

There is one other aspect of this thing that probably has not been discussed too freely. I feel like saying in the manner and language of the Great Teacher of long ago, "Oh, ye of little faith."

Have you been home recently?

I have been home for a week, Senator. I have talked to many people.

Mr. MORRISON of North Carolina. I thought you were describing yourself so beautifully with that quotation.

Mr. DIRKSEN. I have been home visiting with people, rubbing shoulders and enjoying that kind of fellowship that you can get only when you go home. Probably several thousand people were in those little groups where I visited. Not one mentioned subsidies and not one asked for subsidies. Not one confessed his defeatism and was willing to go on record to have a son or daughter somewhere far afield fighting for the preservation of this Republic, to come back and be apprised that we were going to depend on them in the days to come to shoulder the grocery bill of the present generation.

No, there is no such defeatism out in the country. You find it only in one place in the United States, that is in the slightly effete atmosphere of the United States Capital. You do not find it anywhere else. Folks are not asking for it.

I examined the remarks of the majority leader with a great deal of interest. That is, the remarks he made at the inception of the debate on yesterday. He said, we should not criticize too freely, too caustically unless we had a program to substitute therefor. I have a program. I will tell you what I will substitute for subsidies. Notwithstanding the fact that the President of the United States said in that 12,000-word message that War Food, the O. P. A. and the Director of Stabilization, and the Department of Agriculture were handling this very nicely, I still would concentrate authority and channelize it in some one experienced head. Bring it all together. It is a jigsaw puzzle today. I can establish it out of such a humble commodity as pulpwood. The men who wield the axes and make them shiny on the butt of a tree were getting \$6 a ton for pulpwood in central Illinois.

Somebody in Washington decided that \$3.35 a ton would be about enough. What happened? The axes were covered with grease and placed up in the tool sheds not to be used again. Then I was advised by the agency here that there was a mistake in construing and interpreting the regulation that had been

gotten out. Just a little confusion; but the mistake has been persisting for weeks and weeks and the program of cutting a tree a day to meet the paper shortage is failing of eventuation at the present time. That is the trouble right now. I saw it and I visited with the head of a timber project only 2 or 3 days ago out home and got the whole story.

Now if we had concentration, so that instead of having a jigsaw puzzle we would have some symmetrical, well-joined program on every food front, how much better it would be.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes.

Mr. MORRISON of North Carolina. Will the gentleman yield right there?

Mr. DIRKSEN. I yield briefly.

Mr. MORRISON of North Carolina. Does the gentleman think there is an economist or statesman or businessman, even in the Republican Party or anywhere else in the United States, that could stand the assault made upon him by the greed of the country, if he was given all the power you say ought to be consolidated in him?

Mr. DIRKSEN. The party is filled with men of courage and fortitude to do the job, because for the last 12 years they have had to develop that fortitude on the basis of what has been happening in the country. Yes; there are many in Congress. The steam roller used to go over us so frequently that it developed fortitude and determination to preserve the sane, sound American way of doing business in a climate of freedom. So, I think we could find many who could do the job. Certainly we need experienced people who know something about livestock and about butter and about food, who are going to issue these directives. We have made some progress in the O. P. A. I asked Mr. Bowles recently for a report on bringing experienced personnel into O. P. A. I shall not be satisfied until more business experience, more perspective, permeates and impregnates this whole Federal structure.

Secondly, there should be a revision of control on a lot of these items. There are 800 items, as I understand, now under O. P. A. control, but is it not amazing that about 90 percent of all the food sales virtually consist of 20 commodities? And yet we build up a great administrative wilderness here in dealing with this whole food program with all its consequent confusion.

Next, instead of having the cart before the horse as we have been doing for 2 years let us just stop and unhitch that horse and put the horse where it belongs. Nailing down prices at the consumer level while at every step of production from the farm through the cannery, the packing plant, the processor, the broker, the jobber, the distributor, it is not nailed down—how can it be reasonably expected to stop the inflationary process when there is no control over any prices outside of the simple business of pushing food across a retailer's counter?

The majority leader said we must be responsible for inflation if we vote for the pending bill. We have had inflation for the last 2 years. Prices have gone up 33 percent; on green vegetables and fruits they went up 84 percent. If you are going to eliminate the black market, you are going to have to straighten out O. P. A., putting the emphasis on essential things, getting away from a lot of things that ought not to have any emphasis whatever today. Then we can see more clearly ahead and keep this thing in line.

In addition to a centralized food authority, experienced personnel to handle food problems at every level, an over-all simplification of rationing, the management of controls at various levels of food production and processing, there should be some kind of synchronization between rationing and production.

Thus far our thinking on rationing has been but a device to divide as equitably as possible the available supplies. But why not gear it to production? The value of a point will determine where the production emphasis must be placed and that, of course, brings us to the heart of the program for meeting our present problem, namely, production.

The answer to the whole program is production. Say what you like, you cannot meet this inflation problem by any other means except production unless you want to siphon off in the form of taxes all the money that people earn, or immobilize most of their income. But if you siphon off their income who is going to buy \$17,000,000,000 of bonds in each War bond drive? Will somebody answer that question? Politically, economically, socially, that does not seem to be the expedient thing. So you go back to the whole question of production all over again and we are not going to solve it until a little more common sense pervades some policies that have been in effect.

I have a letter from a mother. One boy in the Army out in New Guinea; a younger boy helping to run a 200-acre farm. In October they were filling the silo. It collapsed and fell on this youngster and he died right there. A heavy mortgage on the farm. She sent me a note saying:

Mr. DIRKSEN, can you get my other son out of the service? Who is going to operate this farm?

I tried to get him out. I failed.

I went out to see another farm when I was home. It is 480 acres in extent with perhaps 500 head of livestock. The one who was left on the farm has infantile paralysis to such a degree that his frame is firmly stooped over and his eyes always look at the ground. He said: "Can you not get my one brother out of the service? If you do not," he said, "this farm goes on the block."

And it is on the block right now.

Can we not get some of these farm boys out of the service? Otherwise how can we solve this problem of production? It is in proportion as produce moves into

the market that you are going to deal effectively with inflation and the inflationary prospects that arise from the monetization of a debt of hundreds of billions through the banks of the country. That in my judgment is the only fair, reasonable, durable answer and not this business of reaching into the Federal Treasury for the purpose of paying subsidies upon the food that we eat in this generation.

The argument against subsidies has been thoroughly explored. They but add to the inflationary forces already at work. They create an aggravated problem for the future when removed. If they remain, after the war terminates, it but means that we have a permanent problem on our hands. They apply to only certain commodities and the statistics offered on this whole subject are not too accurate because the black market operations are not revealed. They deal mainly with end results and not with basic causes. They ignore the very basic fact that in a wartime economy production is and must be the primary consideration.

Let us not stray from the basic remedy. It is production and more production and that means a fair price, adequate manpower and ample machinery.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time to the gentleman from Arizona [Mr. MURDOCK] as he may desire.

Mr. MURDOCK. Mr. Chairman, for me it is well that I shall have at least 2 days to read the debates in the CONGRESSIONAL RECORD over the week end before this bill is read for amendments and the final vote is taken. During the last 2 days I have listened through most of these debates and find myself confused. Therefore I am promising myself that I shall reread tomorrow and Sunday what Members have said here on this bill in general debate. I do feel we have a lot of discussion pro and con available for study, but I shall need it with this highly controversial proposal.

This bill, or at least that part of it in section 3 dealing with subsidies, is very technical as well as highly controversial. I have heard it said many times on the floor of this House through the 7 momentous years during which I have been a Member, "The bill before us is of paramount importance and of more vital concern to the welfare of our country than any other measure we have been called upon to vote for a long time." Well, I think really that such is true of this measure, for I regard it as of great significance and of outstanding importance, even in the midst of those other momentous measures we have been called upon to consider during the last half-dozen fateful years in American history. Why do I think so? Because I believe that our war upon inflation is as meaningful to our country as the military war against the Axis foes.

Mr. Chairman, an intimate knowledge of economics, business, human nature, and the perils of the situation should be had by each one of us before casting this vote. Much as we have discussed it the

last 2 days my mind is not made up. I do need more time to sleep on it and to think over it. Where such a life-and-death situation confronts our Nation we ought to bring science and sense rather than politics and prejudice to bear on our thinking. Which will determine our vote?

I had some questions of an elementary kind which I intended to place before you in an extension of remarks 2 days ago, but neglected to do so in time for any to answer during general debate. However, I will insert them in the RECORD tonight with the hope that someone before the vote is taken can enlighten me on the matters involved.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time to the gentleman from Indiana [Mr. MADDEN] as he desires.

Mr. MADDEN. Mr. Chairman, in the discussion on the floor of the House yesterday and today regarding the continuance of the Commodity Credit Corporation, I have heard references to producer subsidies and consumer subsidies which I believe are misnomers. The so-called subsidies involved in this legislation are war subsidies and should be referred to as war subsidies. Outside of the fighting front, the greatest problem of this country today is the imminent threat of inflation and a complete wrecking of our entire home economy.

I represent one of the greatest industrial districts in the United States. Thousands of men and women are engaged in factories which are producing steel, airplane parts, tanks, ammunition, and all of the necessities that are essential to the winning of this war. The great majority of these men and women in most instances are applying their daily wage to the feeding, clothing, sheltering and educating of large families. A world war necessarily brings about an abnormal and unusual economic upheaval. It is the duty of every Member of this House to protect the millions of men, women, and children of America who will be thrown into impossible financial hardships if living costs are allowed to increase beyond the present burdens which they are now bearing without complaint.

The President has courageously done his duty in holding the line against the breaking through of inflation. If this Congress permits legislation to be passed that will bring about unreasonable increase in the price of necessities, and as a result thereof, demands for higher wages to meet these increases may eventually bring about strikes and tie-up of war production, the responsibility will rest upon the shoulders of this Congress.

I have heard it mentioned in this discussion that it does not make any difference whether these increased war costs are paid directly by the consumer or indirectly through Government subsidies.

That statement is misleading because when increase is made on the price of necessities, pyramiding immediately starts to take effect.

For instance, increasing war costs make it necessary to pay the farmers 10 cents more for a bushel of corn. If this increase is paid directly to the farmer by the Government, that is the end of it. On the other hand, if the farmer is allowed an increase to 10 cents a bushel, that is only the beginning. Ten cents more a bushel for corn means that the hog raiser will have to charge more to the packer; the packer more to the wholesaler; the wholesaler more to the retailer and the retailer more to the housewife—with the cost pyramiding along as each normal profit is added on. This explains the President's statement that only eight hundred million spent for subsidies this year saved the Government and consumers billions of dollars.

Prices and rent ceilings, wage and farm price stabilization, War bond buying, rationing of scarce essentials, are necessary to preserve the economic welfare of our country in a wartime emergency like this. The establishment and continuance of wartime subsidies to keep the price of life's necessities within reason is essential for the rapid winning of the war. The very fact that Congress has refused to increase taxes this fall makes it doubly important to hold the line on all fronts including prices of life's necessities. By paying wartime subsidies to food producers or processors, the Nation can bring out full production without increasing the cost to the consumers. The amount so paid will be but a fraction of the cost of a general price rise which would certainly bring on new wage increases and the spiral of economic ruination would continue to grow.

Regardless of everything that has been said pro and con on this legislation, I believe the above is the simplest and most concise explanation of the necessities of wartime subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, I will address myself to people and food, not to sons in the service and many other subjects.

From every walk in life, from every corner of my district, from rich and poor, from professional men and laborers, from housewives, mothers, and school teachers, have I had this same plea—"Hold the line," "Beware and alert to the new enemy on the home front—inflation."

Inflation with its drastic results has, in the course of years, left its scar upon the nations of the world. In the First World War, with a national debt of thirty-two billion, the inflation portion of the debt was \$13,500,000,000 and its effects upon the economy of our Nation is written in the history of the recent depression. An inflation of equal proportion in the present war would reach the staggering figure of \$70,000,000,000 by the end of 1943. The world knows the effect

that uncontrolled inflation had in Germany after the last war. The story abroad of the violent effect of present uncontrolled prices in China should be sufficient testimony for any thinking individual.

The spiral of inflation in its attempted rush to dizzy heights has been retarded by the operations of O. P. A. and the subsidy program, and the proof of this statement is found in the low level of prices in the present war as compared to World War No. 1. Not even the opponents of the subsidy program can deny this statement.

Many arguments have been advanced against food subsidies which appear convincing until studied. The proponents say subsidies will add \$800,000,000 annually to the public debt. This is a staggering sum, but when placed in a relative position to war expenditures, it dwindles to the cost of a 3-day war operation. The Government is the purchaser today of three-fourths of our production. High prices would increase tremendously Uncle Sam's bill. Again, the relationship of the \$800,000,000 to the Nation's expenditures for a year is dwarfed to a small sum. With food subsidies out of the picture, the Little Steel formula cannot be maintained. Wage scales would increase and Uncle Sam, being the big purchaser, would pay the bill. Let us remember that Uncle Sam always makes his annual visit during the income-tax period. The public debt would grow by leaps and bounds and would affect drastically our entire economy.

In view of the great volume of mail encouraging me as the Representative of the Fourteenth District of Michigan to do all in my power to support the food-subsidy program, I feel it unnecessary to refute the arguments of those who say "I don't want to leave this subsidy bill for my boy to pay—I'll pay my grocery bill now." The truth of the matter is there are several grocery bills—there is the individual's grocery bill, there is the Army and Navy grocery bill, and there is the lend-lease grocery bill.

Why make the long speech about the smallest of the grocery bills, when Uncle Sam, who is the American taxpayer, will pay all of these grocery bills and especially will we—your boy and mine—pay a grocery bill with a staggering total if we have unbridled inflation. Today, I am justifiably proud of the alertness of the people of my district to the menace of inflation. Surely they must know that the income of many to a number in excess of three million one hundred ten thousand is absolutely fixed regardless of changes in economic conditions. In that group there are the aged, the blind, dependent children, and those on general relief. Employees of local governments, excluding those in the educational system, number almost 2,000,000. There are military allotments to dependents of men in the armed services to the number of 2,000,000 and there are 860,000 in the ranks of the veterans all with fixed incomes and a ruthless inflation would deal harshly with them indeed.

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Throughout the country community war chests are being collected under quotas to supply funds for many charitable activities too numerous to be cited at this time. What will happen to these praiseworthy undertakings if the galloping steed of inflation runs rampant and renders impractical the well-intended contributions of those charitably inclined donors to the civic chest? Oh, my friends, it is time to remember. Remember the aftermath of the last depression brought about by a short-sighted policy which resulted in the astounding figure of \$13,500,000,000, representing the inflationary portion of the debt of the bill of World War No. 1. Remember the empty smoke stacks of the factories, remember the apple vendors on the corner, remember the days they walked the streets in search of work only to return each night with the same expression—"No luck today." Remember the times that popularized the song Brother, Can You Spare a Dime? Yes, my friends, this is the time to remember. Let us not talk around this subject, let us talk of its real phases—subsidies for food that Uncle Sam's bill may be less and that the spiral of inflation may be halted in its rush to the sky. I will not attempt to advise the farmer nor those who represent the farm districts. Surely they have not forgotten the deflated prices of farm commodities—the sheriff sales—and the abandoned homesteads that dotted the countryside. Yes, my colleagues, this is the time to remember for inflation will bring naught but misery for the greater number and a justifiable finger of scorn from their fellow beings for those who advocate and profit by its parasitical rewards.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. D'ALESSANDRO].

Mr. D'ALESSANDRO. Mr. Chairman, under unanimous consent to revise and extend my remarks in committee, I include at this point correspondence I received from the Maryland Citizens Committee for Democracy, Baltimore League of Women Voters, and a petition from Local 43, Industrial Union of Marine and Shipbuilding Workers of America:

THE MARYLAND CITIZENS
COMMITTEE FOR DEMOCRACY,

Baltimore, Md., November 15, 1943.

Hon. THOMAS D'ALESSANDRO,
House Office Building,
Washington, D. C.

DEAR MR. D'ALESSANDRO: The Maryland Citizens Committee for Democracy urges that you vote in favor of food subsidies because:

It is imperative that there be no further inflation and further inflation must result if food prices are permitted to continue to rise. By subsidies production can be maintained and food prices stabilized.

So many other commodities and industries both inside and outside the war effort have been and are subsidized—some of these subsidies dating back to 1789—the argument that food subsidies are un-American and unconstitutional, etc., are not valid. Further we consider the use of such arguments intentionally hypocritical—the flag-waving of the unpatriotic who try to hide their real purpose (inflation in this case) behind the American flag.

We will watch the vote on food subsidies with keen interest.

Sincerely,

ELIZABETH HOLT DOWNS
(Mrs. James R. Downs),
Corresponding Secretary.

BALTIMORE LEAGUE OF WOMEN VOTERS,
Baltimore, Md., November 16, 1943.

Hon. THOMAS D'ALESSANDRO,
House Office Building,
Washington, D. C.

DEAR MR. D'ALESSANDRO: The Baltimore League of Women Voters is very much disturbed by the reported sentiment in Congress against food subsidies. In our opinion the issue is clear.

Our Government has asked farmers as well as industrialists and mine owners to produce more for the war even though it means producing at a higher cost. Increased costs can be met either by higher prices or by Government subsidies. Higher prices must, of course, result in bigger and worse inflation. The farm pressure groups (with the exception of the Farmers Union) have made it quite plain that this is what they want. We as individuals and consumers, and as an organization that has the welfare of our country at heart, are opposed to further increases in food prices. We therefore urge that you vote in favor of food subsidies.

We are mindful of the fact that the subsidizing of food is only one facet of the anti-inflation program, albeit a very important facet. We know, too, that subsidies are slightly inflationary, but so much less so than increase in prices that we strongly urge their use. The line against inflation is being threatened by the big farm pressure groups and their cohorts in Congress. We look to you to hold that line and keep it unbroken. Your vote will tell us on which side you stand.

Sincerely,

BEULAH A. HESS, President.

PETITION OF LOCAL NO. 43, INDUSTRIAL UNION
OF MARINE AND SHIPBUILDING WORKERS OF
AMERICA

To the Members of the Maryland delegation,
the House of Representatives; President
Roosevelt, White House; Office of Price
Administration; Maritime Commission;
National War Labor Board; Department of
Labor; Department of Agriculture; Sena-
tors Tydings and Radcliffe:

We, the men and women in the Bethlehem-Fairfield Shipyard, Baltimore, Md., who are building ships to help win the war in the shortest time possible, demand that prices of essential goods, food, clothing, rents, etc., be reduced to meet the wages we receive, or that wages be adjusted upward to meet the tremendous rise in the cost of living.

We believe that prices can be reduced or wages adjusted in the shortest time possible by adopting the proposal of the President that the difference between cost of production of essential foods and the prices farmers get be paid or subsidized by the Government. In this way the rich individuals and corporations will be compelled to pay their share of high prices. If the President's \$800,000,000 subsidy program is not passed, we will be in the middle. We will have exorbitant prices and most of the taxes to pay, on the one hand, and a frozen wage scale on the other. Before this heavy burden of prices and taxes as against an inadequate wage scale leads to serious difficulties, we urge you to take a vigorous stand in our behalf. We urge the Members of the Maryland delegation to insert this full petition in the CONGRESSIONAL RECORD and fight for the President's program every step of the way.

This petition was signed by thousands of men and women of this organization.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I have been very much interested in this bill to extend the Commodity Credit Corporation and in the question of subsidies. Of course, I am in favor of the continuation of the Commodity Credit Corporation, but that is not the element of controversy in the bill. I have read the hearings which were conducted on the bill and I have listened to many speeches. The more I hear and read, the more disturbed I become over so-called consumer subsidies.

To be perfectly frank, I must say that I believe in support prices for agricultural products and any subsidy to agriculture that could be proved necessary to maintain a fair price or increase production. A fair price in the market place is what the farmer desires. He asks no more. But the question of producer subsidies to increase production does not seem to be the question at issue in this bill.

The question in this bill is, Shall we subsidize consumers? That is, shall we help pay the meat, butter, milk, and bread bill of the consumers out of the Federal Treasury, a Federal Treasury which is threatened with bankruptcy? The welfare of the consumer cannot be disregarded. But the more I study the problem the more I question the desirability of consumer subsidies. In the name of helping the consumer, we must not flirt with disaster. We must not take a chance on wrecking the country—destroying agricultural production and bankrupting our Nation. It does not seem quite ethical for the Government to be paying a part of the grocery bill of all the people at the greatest period of prosperity and widespread employment in the Nation's history. If we cannot pay the farmer a fair price for his products now, when will we ever be able to do it? But the matter is more important than that. To win on the battle front, we must win on the production front, on farm and in factory. Production must be stimulated.

But those who favor consumer subsidies lift a finger of warning and say that if the price of bread should go up a penny a loaf, milk a penny a quart, and meat and butter a few cents a pound, making an annual increase in a man's grocery bill of a few dollars, there will have to be a great increase in the wages of industrial workers and that our Nation will be thrown immediately into the throes of uncontrolled inflation and certain disaster. I cannot follow this argument, but if I am in error I should like to know it. The country's welfare is at stake, and we must do whatever is necessary to meet the demands of the hour.

Let me say emphatically that I believe in price control. There may be those who favor uncontrolled inflation, but I am not one of them. Moreover, I believe the people whom I represent in

Congress are in favor of price control, price control reasonably administered. They know that uncontrolled inflation would wreck the country. But why would everybody have to have a wage increase if bread went up a penny a loaf, milk a penny a quart, and butter 60 cents a year? My observation has been that the increase in the price of fruits and vegetables has presented the more difficult problem. I will admit that if all Americans were on the ragged edge, working for starvation wages, and if they did not have a penny left over after paying the grocery bill, then a small increase in the price of groceries would have to mean a few less groceries or a higher wage.

But that is not the situation—certainly not in the average family. The national income this year will be about \$150,000,000,000. You can buy a lot of groceries with that. Moreover, we spend only about 22 percent of our national income for food. That proportion is not considered unreasonable when compared with past experience. Yes; the national income is to be about \$150,000,000,000. It is estimated that after we pay our grocery bills, rent, other expenses, about \$40,000,000,000 in taxes, and buy all the goods that are available for purchase, we will have about \$40,000,000,000 left over. The experts say that this is the money that creates the inflation threat. This is the money that the President wanted us to partially collect in new taxes, save, and buy bonds with. Would it not be best to use part of this money to pay the necessary price for food? Again I say if the price of milk went up a penny a quart, we would have to raise wages a penny a day if our people were making no more than enough to barely pay their grocery bill. But we are making about \$150,000,000,000 annually and we should have about \$40,000,000,000 in surplus income at the end of the year—a sum equal to the entire national income in 1932. Unfortunately, this money will not be very equitably distributed among our people. There will be many hardship cases. But why are consumer subsidies out of Federal tax money and borrowed money necessary? And why do we have to have uncontrolled inflation and a lot of unjustified wage increases. Some increases may be necessary, and if they are, they should be made. Surely there are not many who now deserve further increase—certainly not in the war factories of the Nation. Oh, but it is said, "Sure, most people can well afford to pay adequately for their food, but there are certain groups that cannot."

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MAHON. Those who say this make it all very simple. Here it is: A relatively small percentage of the people do not make sufficient income to pay adequately for their butter, milk, and bread, so the Federal Government will help every American pay his grocery bill, taking the money out of the Federal

Treasury. The plan is to subsidize all the people, rich and poor alike, those not needing such a subsidy being in the majority. And I am not unsympathetic toward those who have been severely hampered by subnormal income and rising living costs. Most all Americans have had their difficulties and we can hardly expect anything else in wartime.

Moreover, if the Government pays part of each man's grocery bill, from John D. Rockefeller to John Doe, there are going to be a lot of overhead administrative costs, a lot of dreaming, blundering bureaucrats to deal with, and a lot of additional regimentation upon our people.

Mr. Chairman, I believe there is a better way to handle the problem.

Another thing, if Americans have to pay an additional penny for milk and bread, do you not think that most of them can afford to do it? Would it be out of order for Americans on the home front to do a little sacrificing? Our men are fighting in the mud in Italy, on the bloody road to Rome. In the Southwest Pacific the boys are fighting malaria, the jungles, and the Japs. The boys are flying over Germany in the face of deadly peril and they do not all come back to their bases. What would they give for an end of this war and a chance to come home to the country they love? This wrangling over profits and higher wages where higher wages are not due must make our wounded boys in hospitals and all those who bear our colors overseas sick at heart. Let us be Americans who are worthy of our country in this great and tragic hour—Americans willing to make the necessary sacrifices. After all, the ones who are making the real sacrifices in this war are the ones who are hazarding their lives on the fighting fronts—they and their parents, wives, and loved ones.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Ohio. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, in the current discussion of subsidies, the Congress and the Nation have been burdened with a mass of statistical information. Most of the statistics have emanated either from the Bureau of Agricultural Economics or the Bureau of Labor Statistics. Proponents and opponents of the subsidy program are quoting statistics designed to support their respective contentions. The result is that certain groups in this country have questioned the authenticity of the statistics given by the Bureau of Labor Statistics as to the earnings of workers and the statistics involved in the cost-of-living index. The Secretary of Labor, apparently viewing with alarm this attack upon the Bureau of Labor Statistics, appointed a committee of impartial statistical experts to make a survey of the findings and figures issued by the Bureau of Labor Statistics. That report has been published and substantiates the accuracy of the Bureau's figures.

As this committee pointed out in its report, the difficulty lies in the use and

interpretation of the statistics. Having been confused in my own thinking by the variety of statistics quoted, I have recently secured from the Bureau of Labor Statistics definite figures relating to wage increases and cost-of-living indexes that can be definitely relied upon in connection with the present discussion. The Bureau advises me that between January 1939 and January 1941—the base date of the Little Steel formula—average hourly earnings increased from 63.2 to 68.3 cents, or 8.1 percent.

From January 1941 to October 1942, when Congress passed the Stabilization Act, they advanced to 89.3 cents, or an increase of 30.7 percent. Since then the average has advanced to 96.5 cents by August 1943, or another 8.1 percent. This means that average hourly earnings of wage earners, both part-time and full-time, increased between January 1939 and August 1943, 41.3 percent.

In order to be perfectly fair, however, it should be stated that while this percentage increase does not measure changes in wage rates, it should be pointed out that earnings have increased more rapidly than hourly rates for two reasons, namely: Much more overtime is being worked today at a premium rate, and there has been a greater expansion of employment in high-wage industries. Of the present average of 96.5 cents, representing the average hourly earnings in August 1943, 6.5 cents is due to averaging in payments for overtime. The Bureau estimates that in January 1941 the average earnings at straight-time rates would have been about 66.4 cents per hour. The estimate for August 1943 is 90 cents, or 35.6 percent more than in January 1941.

Thus it is clear that while average hourly earnings have increased 41.3 percent between January 1939 and August 1943, the hourly wage rate has increased only 35.6 percent. It should be noted that average hourly earnings would have risen between 1941 and 1943 even if the hourly rates had remained unchanged, because of the transition of wage earners from low-paid industries, like textiles, into the higher-paid industries working in metals and shipyard construction.

The Bureau advises me that if employment had been distributed among industries in August 1943 in the same proportions as in January 1941, straight-time earnings would be 85 cents per hour rather than 90 cents. Thus it is clear that hourly earnings uninfluenced by overtime or by changes in employment also increased from 66.4 cents in January 1941 to 85 cents in August 1943, a total of 28 percent over January 1941.

The average level of retail prices, as measured by the Bureau of Labor Statistics' cost-of-living index, increased 18.1 percent from January 1941 to August 1942, and further 3.7 percent from October 1942 to August 1943, a total of 22.4 percent since January 1941.

Thus it may be seen that average factory wage rates have advanced 28 percent since January 1941, and the average level of retail prices had only increased 22.4 percent to August 1943. It

is fair to state that these are average figures and that many rates have not been changed substantially in this period. The wage increases under the formula of the War Labor Board have been accepted only where rates are low compared to those generally prevailing. While this causes the average to rise, it does not mean that wage increases have been general since October.

It should also be stated that while these figures indicate an increase in average rates of pay since January 1941 amounting to 28 percent while retail prices increased only 22.4 percent, there still may be many workers whose rates have advanced less than retail prices. Many workers have received rate increases of 30 or 40 percent. Many have received increases no greater than are permitted under the Little Steel formula—15 percent. In some communities, retail prices have advanced much more than 22.4. For example, Savannah, Ga., where the increase is more than 30 percent. There will, therefore, obviously be many jobs of which it may be said that rates of hourly pay have advanced less than the retail prices, even though the average indicates that there are more factory jobs of which the reverse is true.

Measured in terms of the ability of the average worker to meet his expenses, it would seem to me that we should in all fairness consider what increase in the average hourly earnings of the worker has been since January 1941. The figures heretofore referred to indicate that as to actual earnings, the increase has been 41.3 percent. Comparing this with the average level of retail prices which shows a total increase of 22.4 percent during the same period of time, it should be clear that, uninfluenced by other considerations, the average worker today as a result of an increase in average rates plus longer hours, actually earns 41.3 percent more than he did in January 1941, while his cost of living has increased only 22.4 percent. The worker, however, is generally interested in what he actually takes home. An examination of the average figures discloses that in January 1941 the gross average weekly earnings was \$26.64, which after deduction of social-security taxes left \$26.38 for the worker to take home. His gross weekly earnings in August 1943 was \$43.43. We find, however, that the average worker is permitting a deduction from his wages for the purchase of bonds and, in addition to social-security taxes, further withholdings for tax purposes have reduced the amount of his take-home wages. Computation of these figures indicates that a married man with no children whose gross weekly earnings in August 1943 was \$43.43 a week, actually took home after the bond deductions and tax, \$33.85; a married man with one child, \$35.13; and a married man with two children, \$36.41.

To be perfectly fair, we should further explore and compute the difference between the take-home wages in January 1941 and those in August 1943. As I have already indicated, the take-home average earnings of the worker in January 1941 was \$26.38. A married man

with no children in 1943 took home \$33.85. Adjusting the cost-of-living index to these take-home wages, we find that in August 1943, the average wage earner would have to spend \$32.39 to obtain goods and services which cost \$26.38 in January 1941. These figures indicate that after payment of taxes and after saving 10 percent of his wages in the form of bond deductions, the married man with no children in August 1943 would be able to buy the same amount of goods and services he bought in January 1941 and have \$1.56 left. The married man with one child would have \$2.84 left, and the married man with two children would have \$4.04 left.

Thus we see that by the cold, naked figures, the average wage earner in America is enjoying a "take home" wage, after providing for his taxes and bond savings, considerably in excess of the rise in the cost of living.

If no consideration is given to the payment of taxes or bond savings, the average worker is still better off according to the figures of the Bureau of Labor Statistics. However, this does not necessarily mean that the worker in all cases is better off, because he might have had to move to a new town. He may have to eat more restaurant meals because of his longer hours, and it may be, that as a result of quality depreciation, he does not live as well in 1943 as in 1941 with a given amount of money. With all these qualifications, however, it is certain that the average factory earner today certainly has the same command over goods and services as the average wage earner had in 1941, as measured by his "take home" wages. No one can successfully contend, in the face of these figures, that the average worker is worse off at the present time.

I believe it is only fair to state, that in as much as all figures used in these discussions are average, there will be many workers who are much better off today in their ability to purchase consumer goods than they were in 1941, and there may be some who, because of changed location, quality deterioration, longer hours, and so forth, are not in a much better position than they were in 1941 with respect to their present ability to purchase goods and services. When consideration is given, however, to the over-all picture and we credit the average worker with the payment of his taxes, building up a reserve for retirement under social security plus savings in the form of bond purchases, there can be little doubt that a fair appraisal of the accurate figures clearly demonstrates that the average increase in the cost of living to the average worker in America is far under the increase in wages which the average worker now enjoys.

I am submitting these figures for the Record for what they may be worth in connection with some of the arguments made in favor of the extension of subsidies.

MR. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the Congress of the United States has emphasized repeatedly that it opposes consumer subsidies. Every time this issue has been considered both Houses have opposed the payment of Government funds for the purpose of selling foods to the consumers of the country below support prices which the farmer obtains for his commodities. Congress has taken this view because it sees the necessity of meeting the costs of producing food in order to increase production for war and civilian needs. In the Price Control Act of October 2, 1942, the following provision was contained:

Provided, That modification shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

Under this provision it was mandatory on the President to modify maximum prices for agricultural commodities where the same were necessary to increase the production of such commodity for the needs of war, as well as to make modifications of the ceilings by allowing for increased farm-labor costs to the producers. Do you think that the mandate of Congress was complied with? Let me tell you what happened. Within only a few days after the enactment of the act, subsidies were being paid on milk instead of carrying out the expressed provision of an act of Congress.

If consumer subsidies are permitted, it means the establishment of additional Federal control and regulation. A specific provision written in the bill prohibiting and outlawing the payment of food subsidies is the only logical method to stop these payments. In a recent decision of the Supreme Court of the United States the rights of the Government to "regulate that which it subsidizes" was recognized. There is justification in having certain Government controls in wartime. There can be no justification in setting up any new Government control over the citizens of the Nation for the purpose of rolling back living costs on those items only which amount to but a small fraction of the total costs of living. What is needed in this country is less Government control instead of imposing new ones. What we need is fewer Government employees instead of increasing the number on the rolls. The people are clamoring for retrenchment in the operation of governmental affairs and they oppose the continuation of policies, of long standing, of increasing the powers of the central Government. A subsidy means control of the recipients of such payment. Our people have a right to expect of their Representatives that we put an early end to the socialistic trends which have swept America

for the past several years. The adoption of Section 3 as written into this bill by the Committee on Banking and Currency will be a step in the right direction in doing just that. To strike Section 3 from the bill would leave the executive branch of the Government free to pay consumer subsidies, a concoction to further regiment America at a cost so alarming that even we opponents of such a plan would not attempt to estimate. The \$800,000,000 asked of this Congress would be only a start if the green signal is given. The subsidy plan means a substitution of a policy of the Government supporting the people rather than the people supporting the Government. Should such a plan be adopted, it would be establishing a system of Government which our armed forces are fighting against on all the battle fronts of the world.

The wage earners of America are paying the smallest amount from their earnings for the food they consume than ever before in the history of this country. Only 21 percent of the total cost of living goes into the purchase of food. When the original Price Control Act was before Congress, the Baruch plan was considered. It provided for across-the-board stabilization of price, profits, and wages. Leon Henderson argued for at least a year that wages should not be controlled. He favored strict stabilization in the price of agricultural products. I strongly supported the Baruch over-all plan, and should it have been put into effect at that time, our economy would not be threatened with inflation as it is today with an inflationary gap of \$63,000,000,000 competing for consumer goods. Let us see what the facts are. Up to September 1943 wages have advanced 74.2 percent in comparison with an increase of 18 percent in the cost of living, or more than four times the cost of living. At the same time industrial earnings have gone up 89.2 percent or nearly five times as much as living costs. The cost of living of the farmer has advanced along with that of everyone else and in addition he has had to contend with the greatest increase in wages of any domestic industry. Since 1941 farm wages have advanced by 81.1 percent. The cost of living today is 1.6 percent above the 1929 level; the per capita income in America is 59 percent above the 1929 income, with practically everyone in the family working. In 1929 the price of butter was 45 cents a pound and no one complained. Butter was selling for 46 cents a pound when the roll-back went into effect which paid the middleman a subsidy of 5 cents a pound—the consumer paying today 41 cents a pound which is 4 cents below the 1929 price. That is the reason that we have been complaining about the scarcity of butter.

It just does not make sense to charge that the farmer is the cause of all of our economic ills. He only asks fair prices for his products in the open and free market. Twenty-one percent of the total cost of living should not be singled out as the sole and exclusive cause of any inflationary ills that may come to the coun-

try. Industrial labor is demanding that the prices of foods be rolled back to the September 15 level or to an extent of a saving of 10 percent to the consumers. This means that they are asking an additional 10 percent in wages. With the \$63,000,000,000 inflationary gap, according to the figures of Secretary Morgenthau, it would be highly inflationary for Congress to support a roll-back on the price of foods. Common, ordinary horse sense tells us that when we desire to increase production and decrease consumption the thing we do is to increase the price. If we desire to decrease production and increase consumption, we decrease the price. Our trouble is that we have too much spending power and too few goods to purchase, yet the proponents of subsidies are asking Congress to reduce prices. What kind of reasoning and logic is that? Let us face this problem realistically. I trust that the bill as recommended by the Banking and Currency Committee will be speedily enacted.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. MORRISON].

Mr. MORRISON of North Carolina. Mr. Chairman, our friends over on the left, I think, are pretty hard on my party. For some time I have heard your criticisms. I have been anxious not to provoke political controversy here in these wartimes, and the few opportunities I have had should not provoke any reply, but I want you to good-naturedly let me quarrel just a little bit with you about that. You do not even want to let us have our party name. You want to change the name of the grand old Democratic Party, the oldest party dealing with governmental affairs in all the world today. You say we are a New Deal Party. One thing a Republican is very careful to do is never to mention the Democratic Party. It is a ghost of righteousness that he is afraid even to name. New Deal Party? Why, there is no such thing as a New Deal Party. The New Deal was the program, the hand dealt, figuratively speaking, to rescue this country from the debacle into which the Republican Party had thrown it from Harding to Hoover. It was a program to restore a constitutional democratic American Government in the United States, which you had well-nigh destroyed in your long tenure of office and your misguided concept of duty to the American people.

They talk about saving the country. The country would have been gone if it had not been for Franklin D. Roosevelt and the great millions of American people who inaugurated him President of the United States in 1932 and took this country's government back from the few great selfish groups to which you had allowed it to go in greed and grasping plunder of the American people. That is what I think about the record of your party, and yet I hate to say anything about it here. You really provoke a good-natured man and an old man by your almost constant assaults upon

everybody connected with this great Democratic administration.

This subsidy is a part of a program—not a whole program but a part of a program—which this great administration asked for, to carry us on successfully through the great conflict in which we are now engaged. Oh, if we can keep at it for a few more months, victory, victory, glorious and complete, will come to the standards of democracy and liberty everywhere. For God's sake, do not let us wreck it and tear it down with a little bit of small, old-fashioned Republican politics. Let us not do that.

Today we are doing well. Last spring you prophesied wreck and destruction, but we had not been wrecked up to then and we have not been wrecked now. If we are wrecked, you will wreck us, because if you uphold the hands of this greatest of the earth's champions of democracy and of constitutional government in all time, we will win and we will win triumphantly.

I know it is hard for you not to hate him because he beat you once, he beat you twice, he beat you three times, and by the eternal God it is the hope of humanity that he will beat you the fourth time at the next election.

Yes; I am in favor of free enterprise. Even the brilliant young Governor of New York, one of the beacon lights of Republicanism, the other night said the great duty on us was to restore free enterprise in the United States, free commerce, economic freedom. Freedom from what? Freedom from the law. You want to tear down all restraints. You are promising selfish business groups all over this country a destruction of control, freedom.

Yes, you are going to suspend the Constitution of the United States, you are going to quit controlling commerce, you are going to adopt instead the old Rob Roy plan, the simple plan of "Let him take who has the power, let him keep who can." We tried that sort of freedom in the United States from Harding to Hoover, and by the eternal God, if it had not been for Roosevelt and the grand old Democratic Party, not the New Deal Party, that rescued us from you, we would have been in a poor fix to have met this world conflict. Suppose we had gone into this mighty conflict under the form of government we had and with the degree of prosperity of business we had when Roosevelt was inaugurated President. Where would we have been? We were well-nigh destroyed without the assault of Hitler, Mussolini, Hirohito, the devil, and the rest of them. If they had assaulted us before Roosevelt and the Democratic Party, yes; God bless its name, not the New Deal Party but the Democratic Party, rescued this Government and stood it up and increased its productivity, and restored prosperity and opportunity, we would probably today be under the heel of Hitler and the damnable gangs around him.

All of this talk about somebody wanting to act the rascal, and tyrants, bureaucrats, and destroyers of government—you know there is not a word of

truth in it. What are you talking about? Why do you regale the country with that sort of stuff? I always did say in every campaign where I was ever challenged about it that there was no reason why a Republican was not just as patriotic as a Democrat, but I have asserted that we have more sense than they had about government. That is the only superiority I claim.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of North Carolina. I yield.

Mr. SCOTT. Will the gentleman tell us whatever happened to the Democratic Party?

Mr. MORRISON of North Carolina. What happened to it? Why, my dear friend, what happened to it is that we have written in the last 10 years into the history of this country the most glorious chapters that adorn its whole history. We rescued this Government from the plundering groups to which your free economy and your unbridled business leadership had thrown it.

And we put it back into the Constitution of the country and gave the Government back to the people. And neither Hitler, Mussolini, Hirohito, the devil, and the rest of them can whip the United States under the leadership of Franklin D. Roosevelt and the Democratic Party. If we had to go into it, why, do you know the income of this country, we are talking about spending money, the income of this country could pay for the whole expense of the war this year, the whole \$100,000,000,000, and we could have more income left than we had under Herbert Hoover when he was President of the United States the year he went out. Now, let us discuss this thing hereafter like we were all Americans and all patriots. Why, you talk about ex-Senator Byrnes, ex-Senator Brown, ex-Congressman Jones, the country's greatest business people, Republicans and Democrats, and your own great leaders like Mr. Stimson, the Secretary of War, and the great, and I admire him very much, Mr. Knox, Secretary of the Navy, as if they were enemies of America trying to submerge its liberties. Why, when you get off by yourselves I know you are ashamed about any such unbrotherly and unpatriotic nonsense. Let us get under the flag.

What about the subsidies? Let me come to that. It is a part of one glorious whole. Listen, gentlemen, bear with me for a minute, because this is quite important. I would not undertake to legislate on an appropriation specifically for any subsidies here. We are not competent to do it in a legislative body. We are simply standing for a program that will give the President, the leader of our Armies and our Navies, our constitutional leader, more power in a crisis than any branch of Congress, giving him the power to use subsidies as well as price control to protect the people of this country from hunger and want and misery and wretchedness. I stand for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield 2 additional minutes to the gentleman from North Carolina.

Mr. MORRISON of North Carolina. And we want him to have that power. I hope he will have to use it very sparingly. One of my brilliant young friends here talked about paying the board bill and the grocery bill of their people, that it will never be used except for a few items. I hope it won't be necessary, and maybe only a short while then. But let him have the power. When we are going to whip our enemies on the battlefields, we must have all the instrumentalities to destroy the minions of hell that we can invent and manufacture in fighting this other specter of hunger and want, and starvation and misery. Let us clothe our great leader with price control, with some money for subsidies, and everything that will enable him to keep us from becoming demoralized. Let us keep him strong, and let us be united under the flag. And never fear, it will be done in honesty and cleanliness, because whatever you may say, you may challenge the judgment of this administration, but nobody has yet challenged its honesty. There has been greater cleanliness in the Democratic Party. Why, the Republican Party in 12 months after you came in, back yonder under Harding, I will swear you stole more than the Democrats have stolen under Roosevelt during his whole 10 years in office, to such an extent that, what happened to the glorious Republicans of the United States, that great party of honesty? The people turned on your own party and smote it hip and thigh until you did not carry but one little State, I believe, in the whole Union. Now, that is the record.

Now let us discuss this thing hereafter with some respect for each other, and as if we were all Americans whose sons and nephews and sons-in-law are dying under the flag wherever manhood is being tried. I love a Republican. I like him better than anybody else that God ever made except a Democrat. I cannot love him quite that well. I want you to love me.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SMITH of Ohio. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HOPE] 10 minutes.

Mr. HOPE. Mr. Chairman, I am sure that the senatorial campaign of the distinguished gentleman from North Carolina has gotten off to a flying start. We are all for him on the Republican side and wish him well in the primary. But if the gentleman from North Carolina is interested in the pending legislation he does not need to seek converts among the Republicans. If he can just get the full support of his own side of the aisle he will have all the votes he needs.

There has been a lot said in the course of this debate about the danger of inflation, and what is going to happen if we do not permit subsidies to be paid. But I contend that up until this good hour at least there has been no real effort on the part of this administration to carry out

a program against inflation in this country. Now, it is true we have had price-control legislation. We passed a bill in this House back in the fall of 1941 which became a law in January 1942, which was called a price-control bill and which failed, as we all know, to stop price increases. The situation became so bad that the President sent a message to us in September 1942, insisting that Congress pass further legislation with reference to price control. We did pass a bill at that time.

The reason that the first price-control bill was ineffective was because it did not touch wages, the primary cause of inflation, or increased prices. The administration insisted that we not go into the subject of wages. There was an amendment offered here when that bill was under consideration, offered by the gentleman from Tennessee [Mr. GORE], which I supported, by the way, which would have put into effect control of wages, as well as control of prices. That amendment, with the administration opposing it as vigorously as it possibly could, was voted down and we passed an ineffective bill. When the President sent us a message a year ago last September, he still did not ask us to do anything about wages. He said, "I will take care of wages. You control prices, particularly agricultural prices." He said the farmer was responsible for inflation and for high prices. You will recall that we did pass a bill and we directed the President to control prices as of the level that they were on September 15, 1942. But we went further than that. We went further than he asked us to go, because we also directed the President to fix wages and salaries based upon the level existing on September 15, 1942.

Now, what has happened since that time? Has the President carried out the direction that Congress gave him in that legislation? We know that he has not. We know that prices have gone up to some extent. We know that wages have gone up to a considerably greater extent than prices since that time. The figures have already been put into the record. You know what they are, I think, but just to refresh your recollection, let me call your attention to the fact that since September 1942 full-time hourly earnings in manufacturing industries have increased 8 percent.

The take-home pay—that is what counts when you are talking about inflation—has increased 11 percent. Total manufacturing pay rolls, including both salaries and wages, have increased 21 percent.

During the same period of time, the cost of living has advanced between 4 and 5 percent. So that there is nothing to the argument that we have heard here today and yesterday to the effect that it is necessary, if we do not pay subsidies and reduce food prices, to have an increase in wages. The big argument that was made by the President in his food message to Congress and that has

been made by the proponents of subsidies on this floor has been that unless we reduce food prices we are going to have labor trouble and strikes and therefore that it is necessary for us to reduce and roll back food prices.

I submit that anything we may do here in the way of subsidies is not going to have the least effect upon labor leaders when it comes to asking for increased wages. We know what happened in connection with the coal miners. We rolled back the butter price and the price of meat. We paid a milk subsidy. We are now paying subsidies at the rate of \$800,000,000 a year. Yet that has not prevented John L. Lewis from getting practically everything that he asked for. It is not going to prevent Phil Murray from getting an increase in wages which he says he is going to get for the steel workers and others in the C. I. O.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I yield.

Mr. HOLIFIELD. Is it not true that Mr. Murray and Mr. Green have been trying to "hold the line" and they have been discouraging strikes and they have been advocating that the unions stay where they are on wages, and it has only been recently because of the increase in the price of living that they are asking for more wages?

Mr. HOPE. Mr. Murray announced the other day that they were out to break the Little Steel formula.

Mr. HOLIFIELD. Certainly.

Mr. HOPE. The only excuse for it is that the cost of living has gone up between 4 and 5 percent since a year ago last September, while total earnings have gone up 21 percent.

Mr. HOLIFIELD. Will the gentleman yield?

Mr. HOPE. I am not going to yield to have the gentleman quote some other figures.

Mr. HOLIFIELD. I did not intend to quote any other figures, but I would like to know the basis of your figures; where you received those figures.

Mr. HOPE. From the Bureau of Labor Statistics.

Mr. MONRONEY. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. MONRONEY. Those figures you quoted, I understand, represent manufacturing, which is 15,000,000 out of a total employed force of 44,800,000.

Mr. HOPE. These are figures for the manufacturing industries, whose workers are represented by Mr. Murray. They are the only wages on which statistics are available.

Mr. HOLIFIELD. And not for the whole of labor?

Mr. HOPE. But the total income of this country has increased during this same time tremendously. Since 1939 it has doubled, and for 1943 it will be at least \$23,000,000 over 1942. That confirms what we all know from observation that almost everyone has shared in the increased income, and certainly there are few families in the country

today whose income is not considerably greater than a year ago. Even where the head of the family has not had an increase, more members of the family are working and at better wages than ever before.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. POAGE. And if almost everybody has had an increase—although there may be a few throughout the country who have not had an increase—would it not be sound policy, following the suggestion that was made by the advocates of subsidy, simply to subsidize those who have had no increase rather than to subsidize everybody over the Nation in order to raise all prices?

Mr. HOPE. Certainly; I agree with the gentleman 100 percent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. I wish to call the gentleman's attention to the fact that from September 15, 1942, to September 15, 1943, a good many of the food prices have gone down while on the other hand the increase in the index of the cost of living as submitted by the Bureau of Labor Statistics shows that permanent waves, for instance, for women have increased 32 percent; that the cost of living has increased 15 percent and that the largest increase has been in items which they do not propose to subsidize.

Mr. HOPE. That is true.

Mr. AUGUST H. ANDRESEN. While food costs have gone down except in fruits and vegetables.

Mr. HOPE. That is very true, food costs have declined in recent months. Now getting back to the question of what the administration has done during this time to "hold the line" and carry out the instructions that Congress gave to the President a year ago last September, let me point out that we have not only had the great increase given to coal miners; we have not only had the increases in manufacturing wages to which I have called attention, but the President himself has signed an order which has done more to bring about inflation than anything else—that was the order setting up the 48-hour week with time and a half for all time over 40 hours. That automatically gave a 30-percent increase in income to every working person in the country who had been working 40 hours or less prior to that time.

Mr. Chairman, I have too much confidence in their patriotism and the desire of the fine working people of this country to do their part toward winning the war to believe that we are going to have strikes and labor troubles because we are not going to pay consumer subsidies. I do not have so low an opinion

of the fine patriotic working people of this country as to think that anything of that kind is going to happen, and I do not believe they will follow labor leadership in a program of that kind. I submit that if they will, that if they are of that mind, that a little subsidy program, which does not now mean more than \$6 or \$7 per capita to every man, woman, and child in the country, is not going to prevent strikes and labor troubles. We are not going to be able to head it off that easily.

Of course, if we go ahead with the subsidy program it does not mean that we are going to get off with a little program which would give \$6 or \$7 to each individual in the country. This program is going to expand, it is going to get bigger and bigger because when you start on a program of this kind you cannot stop on this commodity or that commodity, you have to continually expand it.

The announcement came out a day or so ago that we were going to subsidize flour in order to keep down the price of bread. The price of bread has not gone up one-tenth of a cent in the last year; it is the cheapest food we have today. It is selling at less than the average price for the last 25 years. Wheat producers have never yet during this entire war period received parity for their wheat, and yet we are told that there must be a subsidy paid on flour in order to keep down the price of bread. Bread is selling for the same price today that it did in 1928; it is selling for less than it did in 1925, 1926, and 1927, and yet it is said that we must have a subsidy on flour in order to prevent inflation.

Mr. Chairman, the people I represent, I do not care whether they are farmers, working people, housewives, white-collar workers, or what, do not want subsidies. The people generally do not want them. The only ones urging them are certain labor leaders, who at the same time are announcing a new drive for higher wages. These labor leaders are out to get everything they can. They want cheaper food and higher wages. The sky is the limit with them, war or no war. The unconditional surrender of the President of the United States to the president of the United Mine Workers has put other labor leaders on the spot. They have got to show that they are just as good as John L. Lewis. If we have a bad break in the line as far as inflation is concerned it will come from the shameful surrender of the administration in the mine strike and not from any action which may be taken on subsidies. Let us not mislead ourselves on that.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, the proposal of the administration to continue the payment of consumers' subsidies should be decisively defeated. It raises a fundamental issue which should be resolved on the side of economy and

good government. Of course, we do not object to the payment of a subsidy or incentive payment where necessary to increase production and where it can be demonstrated that it will have that effect.

The subsidies sought to be continued by the administration do not fall within that classification. They are purely payments made from the Federal Treasury for the purpose of reducing the cost of living to the consumer. They are uneconomical, unfair, unproductive, and detrimental to the best interests of the people.

The cost of the proposed program on a few chosen commodities is given at \$800,000,000. However, that would be only the beginning. To carry out the complete program as envisioned by some administration officials would require billions.

In spite of the large aggregate cost, the saving to any particular consumer would be small. For a person using 1 pound of butter a month, the amount of this subsidy would be 60 cents a year. A big subsidy program would be very expensive to operate. It would require another vast horde of Government employees who might be better employed winning the war.

A general consumer subsidy would be unfair to the future taxpayers. The money paid in subsidies would be borrowed. It would become a part of the dangerously increasing national debt. Many people now have an income larger than before the war. There is no reason why their grocery bill should be passed on to future generations, many of whom may sometime have difficulty finding any kind of a job. It is true a certain percentage of the people have not had an increase in their annual income. The earnings of others have been actually reduced. If it is desired to aid this group, it could be done more equitably and economically by putting into operation a food-stamp plan.

One way to combat inflation to which the administration has not given sufficient consideration is to maintain production at a high level. Large crops have been raised this year. That, however, is due to the skill and energy of the Nation's producers, rather than to any constructive policy adopted by the Government. It should be remembered too that for the most part weather conditions in 1943 were favorable.

For some time the Members of Congress from the agricultural States have been urging that a single administrator of actual experience be put in charge of the entire job of producing, distributing, and rationing food. In that connection I wish to call attention to the importance of the State of Iowa in the food program. In 1942 Iowa sold livestock products of a total value of \$1,011,392,000, being the first State in the Union in that regard. The second State was Illinois, selling livestock products of a value of \$626,499,000. Although ranking sixteenth in population and twenty-third in the area of land, Iowa ranks first in value of corn, oats, hogs, horses, and

poultry; first in value of farm lands and buildings; first in combined value of livestock; first in total value of farm property; first in farm land improved—95.6 percent; first in value of farm machinery.

Twenty-five percent of all grade 1 farm land in the United States is within the State of Iowa. One-tenth of the food products in the United States comes from the State of Iowa. Her grain products for 1942 totaled 863,353,000 bushels. This amount divided by Iowa's number of square miles—55,586—gives an average of 15,555 bushels per square mile. No other State begins to equal these figures.

I call attention to these figures only for the purpose of emphasizing the fact that if the necessary food is produced a lot of it must come from Iowa.

It is interesting to note what the farmers of Iowa think about this subsidy and roll-back program. In a poll taken recently in Hardin County 93 percent were opposed to the program. In Mitchell County 96 farmers opposed it and 19 favored it. When the question of parity price in the market place against part of parity price plus a subsidy was voted on, the Mitchell County farmers favored a fair price in the market place and no subsidy by a vote of 103 to 9. On the question, "What are the greatest obstacles to food production?" the answers ranked as follows:

First. Government price policy too uncertain.

Second. Farm labor shortage.

Third. Shortage of farm machinery and equipment.

Fourth. Shortage of grain and other feeds.

Fifth. Farm prices too low.

I repeat, the greatest thing the Government can do to increase food production and to prevent inflation would be to appoint an experienced administrator with complete authority, and the greatest thing such an administrator could do would be to appoint on his staff several farmers from Iowa to whom the production of food is not merely a theory in a book.

Mr. BROWN of Georgia. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. DOMENGEAUX].

Mr. DOMENGEAUX. Mr. Chairman, I would like to ask a question of the gentleman from Michigan [Mr. WOLCOTT], who I know has given much study to this question. In view of the fact that I have received a communication from Mr. Jones, addressed to the chairman of the committee, in which he states that the adoption of this legislation would probably result in jeopardizing the entire support program to producers while, on the other hand, the majority report states that producers subsidies will not be affected, would the gentleman care to make an explanation of that?

Mr. WOLCOTT. I understand that the War Food Administrator has said that he could not announce a sugar program during the pendency of this legislation because of the ambiguity of the legislation. I have seen a letter which

he has written to a Member of Congress so stating. May I say that there is nothing in this pending legislation whatsoever that justifies the War Food Administrator in taking that attitude. As is stated in the majority report, "This section does not prohibit nor interfere with any operation of the Commodity Credit Corporation or any other agency of the Government with respect to producer subsidies, or loans authorized under existing law, including the Emergency Price Control Act of 1942, as amended, and supplemented by Public Law 729, Seventy-seventh Congress, approved October 2, 1942, and it does not prohibit or interfere with support prices or use of Commodity Credit funds made available to the Commodity Credit Corporation by existing law, including section 4, Public Law 147, approved on July 1, 1941, as amended."

Assuming for the sake of argument that certain gentlemen are correct in their interpretation that this does interfere with the payment of producer subsidies, which, of course, is denied, this does not in any manner interfere with the operation of subsection (e) of section 2 of the Emergency Price Control Act of 1942.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 2 minutes to complete my answer.

Mr. Chairman, subsection (e) of section 2 of the Emergency Price Control Act of 1942 provides that—

Whenever the Administrator—

Meaning, of course, the Price Control Administrator—

determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereon.

That gives the Price Control Administrator the authority to pay subsidies to marginal high cost producers of any commodity to obtain the maximum amount of production. I cannot at the moment refer to the particular passage in the law but I believe there is a passage in the Price Control Act which says that the Price Control Act may be administered through any other agency than the Price Administrator upon a directive of the President assigning these duties to that other agency.

So, assuming that there is an ambiguity in this act, which I do not admit, the President could under the terms of the Price Control Act vest in the Com-

modity Credit Corporation or any other agency of the Government the power which now vests in the Price Control Administrator to pay subsidies to high cost domestic producers without interfering in any way whatsoever with the general price scale.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DOMENGEAUX. In the opinion of the gentleman, then, the adoption of this legislation will in no way jeopardize the announced program for sugarcane and sugar beets for 1943 and 1944?

Mr. WOLCOTT. The only way it could possibly interfere with the sugar program would be in the manner in which the money is raised with which to encourage the expansion of production. That applies as well to the sugar cane program as to sugar beets.

Mr. PATMAN. Will the gentleman yield?

Mr. DOMENGEAUX. I yield to the gentleman from Texas.

Mr. PATMAN. I respect the opinion of the gentleman from Michigan always, but the gentleman who will enforce this law, the War Food Administrator, Mr. Jones, has given consideration to section 3 and he states that section 3 in its present form, if included in the bill, will practically destroy the support price program. Carrying forward the support price program will involve some losses.

Mr. WOLCOTT. Of course, it is perfectly absurd for the War Food Administrator to take that attitude or for his attorneys to give an opinion to that effect in view of the expressed mandate of section 3.

Mr. PATMAN. He is a mighty good lawyer himself.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, this bill contains four sections. Section 1 provides that an appraisal of the assets of the Commodity Credit Corporation shall be made annually on the 30th day of June instead of on the 1st day of January as heretofore, the 30th day of June being the last day of the fiscal year. The basis for the appraisal is cost at time of appraisal, or the average market price during the last month of the fiscal year, whichever is lower.

Section 2 extends the life of the Corporation to the 30th day of June 1945. Section 2 also provides for an audit of the capital-fund operations of the Corporation by the General Accounting Office annually.

Section 3 deals with subsidies, and is quite controversial. I shall refer to this later on.

Section 4 gives the Commodity Credit Corporation authority to sell perishable fruits and vegetables owned and controlled by it below cost when there is a likelihood of deterioration.

Sections 1, 2, and 4 are not controversial and are desirable to everyone.

Mr. Chairman, the vast sums of money provided the Army and Navy in the past few years have given us the best fed, the best clothed, and the best trained armed forces in the world. We are on the offensive in every theater and on all fronts. Our loyal, patriotic, and alert leaders and fighting forces are thinking of but one thing, and that is to win this war and win it as quickly as possible.

Our war front is almost perfect. No one dares to criticize our great leaders and our fighting boys. They have been so successful and their mistakes are so few that even the enemy is withdrawing and shortening its lines in every theater.

The home front is not what we desire. The American people generally are against regimentation, but we must realize that we cannot have the same freedom in business in time of war that we have in peacetime. We must realize that we will suffer hardships and will have to be denied many things that are essential to the war effort. We must be brought to the realization that security comes before prosperity.

The O. P. A. and W. P. B. have irritated a lot of people of this country by so much "red tape" and unnecessary regulations and ceilings, but no one desires inflation. The American people do not desire to see the purchasing power of their dollar reduced in value to 25 cents, as it was following World War No. 1.

While the home front is not what it should be, let us take a look at the home front 10 years ago, when our merchants were going into bankruptcy all over the country, banks were breaking everywhere, industry was paralyzed, and farmers were piling up surplus after surplus and headed for financial ruin. Bread lines formed in every town and city of this great country, with thousands and thousands of men in the lines begging for bread. You know what is in the heart and mind of a father when he knows that his helpless wife and starving child are suffering for something to eat. Something had to be done and done then to save America. Do you know of anybody suffering for something to eat or something to wear today?

When Congress met in 1933 in this Chamber it was necessary, in order to save America, to pass some legislation to benefit all groups in every section of this great country. It is very difficult sometimes to pass a general law to foster the interests of certain sections of this country without crippling the struggling energies of other sections, so it was necessary to pass a series of laws to benefit all and save the country. Some of them worked well and some did not. Two of the most outstanding achievements ever passed by an American Congress were the law guaranteeing bank deposits and the law creating the Commodity Credit Corporation. The first law helped everybody. The banking law has restored the confidence of our people in the local lending institutions. That saved the

people. Not a depositor has lost a dime in the banks of America since the year 1933.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 5 additional minutes.

The Commodity Credit Corporation was organized to stabilize the prices of agricultural products. It came to the rescue of the American farmer at a time when he had no avenue of escape. In this fashion, it loaned to him money so that he could hold his surplus crops off the market and sell them in an orderly way. It has saved thousands and thousands of farms of this country.

The American farmer is appreciative of his Government coming to his rescue when he was helpless. He has shown his gratitude by paying in full these loans plus the interest. He has shown further appreciation when the great Government called upon him to produce, produce, and produce more crops to feed our armed forces and the civilian population by responding to this request wholeheartedly.

A few days ago the United States Department of Agriculture issued another chapter in the amazing war record of American farmers. It showed that despite the greatest difficulties—shortages of man and machine power, floods in the spring and drought in midsummer—despite these the farmers have produced this year another wartime record volume of crops and livestock—more than 3,000,000,000 bushels of corn and 1,500,000,000 bushels of other feed grains, more than 835,000,000 bushels of wheat, more than 200,000,000 bushels of soybeans, more than 2,600,000,000 pounds of peanuts. The farmers produced this year more than 118,000,000,000 pounds of milk, more than 4,500,000,000 dozens of eggs, more than 125,000,000 hogs, and they marketed the largest number of cattle in the Nation's history.

This record production of food surpasses that of last year, which itself was a record. The basis for this war production lies, to some extent, in nearly 10 years of agricultural adjustment programs designed to bring order out of chaos which had previously existed in our agricultural economy.

Commodity Credit Corporation has been in the forefront of these developments and achievements during the last 10 years. This corporation was organized in 1933, at a time when the national economy was burdened with great surpluses of farm products. The prices the farmers were getting for their crops and livestock were at bankruptcy levels. The gross farm income in 1932 was less than \$6,000,000,000. This was the smallest for which the Department of Agriculture has any records running back to 1910. In the following year—in 1933—the gross farm income increased to nearly \$7,000,000,000; but by 1937 the gross income had increased to more than \$11,000,000,000. Last year it was more than \$18,000,000,000.

During all of this period of economic improvement, the Commodity Credit

Corporation was actively engaged in making loans to farmers on their surplus crops of cotton, corn, wheat, and tobacco—helping to support the prices of these commodities by lessening the burden of supplies upon the markets. The large quantity of corn—nearly 300,000,000 bushels—put under loan in 1933–34 was an invaluable reservoir of supplies needed during the drought years of 1934 and 1936. In 1933 and 1934 more than 6,500,000 bales of cotton were put under loan—action which importantly relieved the markets of the heavy weight of cotton surpluses. Large quantities of dark tobacco were also put under loan during this period.

These loan programs were really the beginning of our modern ever-normal granary designed to accumulate surpluses of food, feed, and fibers during years of excess production for use in later years when weather and other conditions should reduce the production below current needs.

The Commodity Credit Corporation was authorized to make loans on all agricultural commodities, but the Corporation was specifically directed to offer loans on wheat, corn, and cotton to producers cooperating in adjustment and conservation programs when supplies of these commodities should rise above or prices fall below specified levels, the rate of loan to be between 52 and 75 percent of the parity price of the product.

In 1941 the Secretary of Agriculture was directed by Congress to make loans on 1941 crops of the five basic commodities—cotton, corn, wheat, tobacco, and rice—at 85 percent of parity to producers. Peanuts were later added as a basic commodity, and the authority to make loans at 85 percent of parity was extended through the crop year 1946. As for nonbasic crops, the Secretary was directed in separate legislation to support a price of not less than 85 percent of parity or a comparable price—whenever the Secretary of Agriculture should announce the need to increase the production of such commodities during the existing war emergency.

In October last year Congress increased the loan rates to 90 percent of parity unless the President should determine that loans on basic crops at rates previously fixed were necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. Loan rates on cotton, tobacco, and rice were raised to 90 percent of parity and rates on corn and wheat were maintained at 85 percent of parity. The same law also provided for the making of loans by the Commodity Credit Corporation on basic crops for a period of 2 years after the war.

From 1933 through 1941 the Corporation had made approximately \$2,000,000,000 of loans to farmers on a long list of commodities which included feed grains, naval stores, bread grains, cotton, wool, peanuts and other products. Its realized losses through March 31, 1942, on this volume of business totaled a little more than \$21,000,000, or approximately

1 percent. As I have indicated, the gross farm income had been less than \$6,000,000,000 in 1932, the gross income in 1942 was more than \$18,000,000,000.

Until 2 years ago the Commodity Credit Corporation was engaged almost exclusively in making loans to farmers. But just as it has been necessary to convert our industrial plant to the making of munitions, it has been necessary to convert our agricultural plant to the production of commodities in quantity and in kind needed for the war against the Axis. As a part of the program to increase the production of feed, food, and fibers during this war period, the Department of Agriculture made a commitment to farmers that the prices of specified commodities would be supported by means of loans and purchases. The principal objective was to increase the production of vegetable oils, dairy products, poultry products, and meats.

Stimulated by the imperative war need for increased farm production and aided by exceptionally favorable weather for planting, cultivating and harvesting crops, our farmers produced and marketed in 1942 the greatest volume of agricultural products in the Nation's history. This large volume of production met the increasing military requirements here and abroad and made possible for civilians at home to have adequate nutrition. Loans to farmers totaled a little more than \$800,000,000 during 1942–43 fiscal year, as compared with \$626,000,000 in 1941–42. Loans to farmers during the past year were larger, principally because of the larger quantities of wheat and cotton put under loan, and because of an increase in loan rates. Loans on corn were smaller than in 1942 since market prices were higher than the loan values. Other commodities on which the Corporation made loans during the last fiscal year included barley, fiber flax, flaxseed, grain sorghums, linseed oil, olive oil, rosin, soybeans, and turpentine.

In addition, the purchases of commodities by the Corporation totaled approximately \$2,700,000,000 as contrasted with less than \$1,000,000,000 the preceding year. About \$1,500,000,000 of these purchases were for lend-lease account, as compared with \$900,000,000 on this account in 1941–42. The remainder of purchases consisted principally of oil crops, tobacco, naval stores, cotton linters, wool, sugar, and other commodities. Large quantities of foreign-produced agricultural commodities were bought to supplement domestic supplies for civilians and war uses. These included coffee, sugar, tea, cocoa, flax, fats and oils, and other commodities to be brought into the United States or held in foreign countries under wartime control programs.

Corporation sales of commodities during 1942–43 totaled \$2,800,000,000 as compared with \$1,000,000,000 the preceding year. These sales included both domestic and foreign commodities which had been purchased for lend-lease account and for civilian and military uses. Large quantities of tobacco were sold in

connection with a program designed to maintain the foreign market for United States tobacco. Considerable cotton the Corporation had acquired under nonrecourse provisions of loans to farmers during preceding years was sold without loss for lend-lease account. A large tonnage of wheat and corn similarly acquired was sold below cost to stimulate the wartime production of meats, milk, and eggs. Substantial quantities of wheat and corn were sold for the manufacture of industrial alcohol for war uses.

I have addressed the Congress upon several occasions in the past regarding the detailed operations of the Commodity Credit Corporation and the part it has played in helping to improve the economic situation of our farmers; of the stabilizing effect of the loan programs on cotton, corn, wheat, tobacco, and other commodities; and of the resultant benefits to producers. Since 1933, the Corporation has lent farmers more than \$3,500,000,000. Most of this sum has been repaid with interest, the remainder being represented by commodities turned over to the Corporation in satisfaction of loans.

The loans to cotton growers alone during this period have totaled nearly \$1,500,000,000, of which only \$230,000,000 was outstanding on June 30 last. The loans to the wheat growers totaled more than \$1,000,000,000, of which only one hundred and sixty-one million was outstanding on June 30. The loans to producers of corn totaled \$668,000,000, of which only sixty-seven million was outstanding on June 30, and practically all of which has been paid off by now. Of the total of more than \$3,500,000,000 for all commodities, only four hundred and eighty million was outstanding on June 30, but, of course, this sum will now increase as the 1943 crops go under loan at the 85 and 90 percent of parity as prescribed by Congress.

Several years ago when we had up a bill in this Chamber to extend the life of the Commodity Credit Corporation, quite an attack was made on loans to the cotton farmer. At that time the Corporation had a loss of nearly \$200,000,000 on cotton, and no loss then on corn or wheat. I remember then making the statement on this floor that cotton did not deteriorate, that in the course of a few years the Government, instead of losing on cotton, would make a profit. Since then on Government-owned cotton sold by the Corporation, the Corporation realized a profit of \$50,000,000; and, at the present price, on the 3,200,000 bales of cotton to which the Government has title, the Commodity Credit Corporation now has a profit of approximately \$30 a bale or \$96,000,000 if the cotton were sold today. The total profit on the cotton sold by the Corporation and on the present Government-owned cotton amounts to approximately \$146,000,000. The Government has lost on corn and wheat in the last couple of years.

The Corporation is buying and selling a large part of the soybean crop, and

all of the record crop of peanuts produced this year. Part of the peanut crop is being sold at a loss to the processors of vegetable oils, and part at a profit to the sellers of peanuts used in the manufacture of other edible products. The Corporation is buying this season more than 300,000,000 pounds of tobacco for sale to Great Britain, a continuance of the program to maintain the foreign market for United States tobacco. It has bought a large part of the 1943 wool clip—more than 200,000,000 pounds—for sale at prices designed to maintain the production of wool.

Since July 1 of this year the Corporation has sold more than 160,000,000 bushels of feed wheat at prices designed to maintain the production of dairy and poultry products at high wartime levels. It is importing feed grains from Canada and Argentina to supplement the diminished feed supply for livestock feeding. It is importing both vegetable and animal high-protein byproduct feed for livestock production. It is importing fats and oils to supplement our own production of these commodities and to make possible increased exports to our allies.

In 1942 the gross farm income for all agricultural products totaled \$18,628,000,000, as contrasted with thirteen billion eight hundred and forty-eight million in 1941. But this year—largely because of the price-support programs of the War Food Administration—the gross will be approximately \$22,000,000,000.

Last Thursday the Nation celebrated Armistice Day by working in the munitions plants, the shipyards, and the airplane factories turning out the implements needed to end this war and produce another Armistice Day later on. It was altogether fitting, I believe, that the War Food Administrator, Marvin Jones, should also announce on Armistice Day the production goals which farmers reported they would strive to reach in 1944. These goals add up to 380,000,000 acres of crops, as contrasted with 364,000,000 acres in 1943 and with 354,000,000 in 1942. Increases were indicated in acreages of food and feed grains above the acreages planted this year, in oil and fiber crops, in sugar crops, in vegetables, and in other crops such as dried beans, dried peas, and tobacco.

On top of the splendid record they have made this year, our farmers are eager to produce in 1944 a still larger volume of food, feed, and fibers. I believe it unfortunate, therefore, that the War Food Administrator has been unable to announce the price levels at which the various agricultural products will be supported in 1944. Of course, the loan programs are mandatory, but there are necessities beyond the loan programs if the 1944 production goals are to be achieved.

These necessities include the financing and handling of the commodities for which price supports must be established at higher levels than in 1943 in order to offset the increased cost of farm production. Farmers look to the Commodity

Credit Corporation for this protection, as they have come to respect and depend upon that agency through the years of recovery from the depression of the early 1930's, and as they do now in this time of war emergency. The uncertainty that now surrounds the continuance of the Commodity Credit Corporation already is having a hampering effect upon our war-food production program. It is incumbent upon us to remove that uncertainty—to assure farmers that they will have the fullest measure of physical and economic assistance from both the legislative and administrative branches of the Government. With this assurance, and if they can get more labor and the machine power and other physical equipment needed to do the job, our farmers will set a new high mark of achievement in 1944.

Mr. Chairman, it is both necessary and desirable to continue support prices to aid the farmer so that he can obtain sufficient production to feed our great armed forces and our civilian people. Subsidies to roll back prices are uneconomical, and somewhat inflationary. Such subsidies do not bring about more production. Abundant production with reasonable prices is anti-inflationary in character.

This bill does away with such types of subsidies but it gives the right to extend the support prices so the farmer can produce to save America and the Allies. It also does not interfere with the loan features under existing law.

I shall support this bill. Section 3 is the only controversial section in the bill, but regardless of what becomes of section 3 I want the life of the Commodity Credit Corporation extended beyond December 31 of this year. To do away with the only vehicle which came to the rescue of the great farming class of this country would be detrimental to three-fourths of our farmers who feed us all.

Mr. Chairman, a great deal has been said about the exceptions that have been made in the case of domestic vegetable oils in section 3. I have this to say. It is necessary to have price supports on oilseeds in order to obtain the necessary production. In the case of peanuts, for example, this was an edible crop before the war. The sudden shortage of fats and oils made it necessary to expand the peanut crop for oil purposes. This commodity is an extremely high-cost source of oil. Consequently, it could not compete with other fats and oils without a type of subsidy. It is contended that the only alternative was to permit competing oils to advance to the peanut-cost level which would have entailed a much greater cost than the subsidy.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I do not want the American people to be misled by how much this type of subsidy will benefit the consumer. When you know that each

consumer will be benefited by approximately 83 cents per month, it is very little aid.

Mr. Bowles, the O. P. A. Administrator, announced that if this bill passed milk would go up 1 cent a quart. Now, how much would that cost the consumers? Based on the estimate that an individual uses only 15 quarts of milk per month, this cost would be 15 cents a month to a consumer. Is that a heavy burden on anyone? Now, the main thing at issue, and let us be frank about it, is whether the consumers shall pay the entire cost of their food bill out of their current incomes in the form of slightly higher prices amounting to 83 cents monthly per capita for some commodities, or whether part of the food bill is to be paid for with borrowed money and added to the public debt to be paid by our returning soldiers and their children. The issue is simple. The subsidies to the consumer so far amount to so little, 83 cents a month, and if Mr. Bowles has to increase the ceiling 1 cent a quart on milk, on 15 quarts, the average amount consumed by the average consumer per month, then his milk bill will be increased by only 15 cents.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Georgia. I yield to the gentleman from Pennsylvania [Mr. WRIGHT] such time as he may desire.

Mr. WRIGHT. I wish to commend the gentleman who acted as Chairman in charge of the bill on this side for his extreme fairness in yielding and giving time to those who disagree with him to some extent on the subsidy question. I think the Record should show his kindness and consideration in that respect.

Mr. PATMAN. I desire to make the same statement and agree with the gentleman from Pennsylvania [Mr. WRIGHT]. The gentleman in charge of the bill has been very fair and it is appreciated very much.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ZIMMERMAN. In view of the statements made by the gentleman from Louisiana, the gentleman from Texas, and the gentleman from Michigan, as to the provisions in this bill to continue support prices for the production of food, it seems to me that that vital question ought to be fully discussed before we vote on this bill, because if we pass any legislation here, Mr. Chairman, that will prevent the War Food Administrator from producing the necessary food that this Nation is going to need, the American people will never forgive us and we will be held responsible. Therefore, I hope that this provision of the bill will be discussed and explained so that there will not be a question or doubt in the mind of any Member of the House. To me that is one of the most serious things that we have to consider, and so little has been said about it in this debate.

The bill is so written that you have to go back and refer to other provisions in other measures in order to find out just

what powers the War Food Administrator has, and I say, Mr. Chairman, it seems to me that a lot of discussion has gone on here about matters that are not of grave consequence. But I say the production of food and the authority to produce it is something that the American people will hold the Members of this body responsible for if we make a mistake.

Mr. BROWN of Georgia. I yield myself 1 minute, Mr. Chairman.

I do not think there is any question about section 3 permitting the support prices to be carried on. I do not think any lawyer who reads that section carefully can doubt it. If there is any doubt we will correct it. Certainly we intended to continue support prices. I made the statement, and many members of the committee made the same statement, that section 3 of the bill continues support prices. Now, if there is any doubt in your mind, read the majority report on this section. It is as clear as it can be to me. If it does not carry out the theory of extending support prices for farmers to produce war crops, it must do so.

Mr. WOLCOTT. Will the gentleman yield?

Mr. BROWN of Georgia. Yes.

Mr. WOLCOTT. May I observe further in that respect that it might be a coincidence, but it just so happens that although we do not claim and nobody claims at the present moment, because the program has not proceeded far enough, perhaps, the payment of subsidies has caused a curtailment in the production of those commodities upon which consumer subsidies have been paid, it is self-evident from all of the information which has been presented to us that it has in no manner increased the production of those commodities upon which consumer subsidies are paid.

Mr. PATMAN. Will the gentleman yield?

Mr. BROWN of Georgia. Yes.

Mr. PATMAN. This is so important that I think a lot of the Members, like the gentleman from Missouri [Mr. ZIMMERMAN], are also honestly trying to find out what the situation is. I think we can take the language of section 3 itself and very quickly discover. I concede in the first part of section 3 it says, "no losses shall be absorbed except on programs that are announced before October 13, 1943," and lots of programs were announced before that time. But it specifically says where they are even announced before October 13, that they shall expire December 31, 1943. Now, this other proviso which I think the gentleman refers to has this limitation on it. It is a major limitation, that the support price cannot be any higher than the maximum price; or I will say it in another way, in the way that the bill says, "that the maximum price must be as high as the support price." Now, does that mean in order for the Administrator to have proper support prices he has got to go and see the Office of Price Administration and get them to agree to raise the maximum prices, or will it automatically force the War Food Administrator to

raise all prices in order to have a support price, say, in one section where it is a high-cost area? I think it is a very material and important point and I hope that time is given to clear it up.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ZIMMERMAN. The reason I am raising the point at this time is I have great respect for the legal ability and the splendid judgment of my colleague, the gentleman from Michigan [Mr. WOLCOTT]. Likewise, I have high respect for the legal ability and for the judgment of the War Food Administrator, Judge Jones, who is known to this body. When gentlemen with the learning and ability of the gentleman from Michigan [Mr. WOLCOTT] and Judge Jones differ on this very important and vital subject, it seems to me that we should proceed cautiously until we settle, if possible, this highly important issue.

Mr. PATMAN. Would the gentleman from Michigan [Mr. WOLCOTT] be willing to accept an amendment that will make plain what he said on the floor in regard to this question, in plain language, without reference to any laws?

Mr. WOLCOTT. I would want to see the amendment.

Mr. PATMAN. I mean, it will make it clearer.

Mr. WOLCOTT. I have been offered by the War Food Administrator a so-called clarifying amendment, which would nullify the clear intent of Congress with respect to section 3. So the gentleman will pardon me if I do not accept any pigs in pokes.

Mr. PATMAN. No. I am asking the gentleman to write the amendment like his speech reads. In other words, take a part of his speech.

Mr. WOLCOTT. I think the language of the amendment is just about as clear as it can be made. I have no objection whatsoever and I do not think anyone else on the committee or in this House should have any objection to any amendment which will clarify any ambiguities in the bill. I have had this sugar proposition put up to me, as well as several others. I think the sugar men are very well satisfied now that there is no prohibition in here against any sugar program. When you start clarifying more or less general statements to meet specific problems, then the gentleman knows as well as I do what happens. We are legislating policies, not particular, specific questions. We are trying to lay out a wise policy, and we have to rely upon judicious and courageous administration of these laws. We cannot administer them, of course.

Judge Jones is a good lawyer, a splendid gentleman, an honest, patriotic citizen, and public servant. He knows, as a lawyer and a judge, that he can readily determine the intent of Congress by reading what all courts read when they are confronted with a question of legislative intent, namely, the committee report. If Judge Jones will read the committee report, it perhaps is made more

definite in the committee report than it is in the language itself, that we intend in no manner whatsoever to interfere with any of the legitimate programs of the Commodity Credit Corporation or of the other agencies of the Government which have to do with the production, processing, and distribution of food.

Mr. PATMAN. Will the gentleman yield.

Mr. WOLCOTT. Yes, I yield.

Mr. PATMAN. The gentleman is a good lawyer and I know it and I do not believe he will contend that the interpretation placed upon this bill by the committee or any of the members of the committee will be used as a basis for the decision of a court, if it contradicts the plain, unmistakable language in the amendment or section.

Mr. WOLCOTT. I may say to the gentleman that unless there is specific contradictory language in the act itself, the courts are bound to accept the interpretation of the committee report. I say that the language of the bill, although in general terms, establishing a general policy, is not contradictory to that. In fact, the committee report substantiates the bill.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have listened with a great deal of interest to the debate on this subject yesterday and today. Last night I listened to the gentleman from Washington [Mr. HORAN] on the radio. He made a fine, statesmanlike speech, and I want to commend him for it. I also listened to the gentleman from New Mexico [Mr. ANDERSON] today in his able presentation. Like Agrippa said, "Almost thou persuadest me to be a Christian."

The charge has been made that subsidies are un-American. That charge has been fully and completely answered by numerous speakers. Subsidies are part and parcel of our American economic history. Every tariff law passed has been for the subsidization of some segment of American business. Every land grant or franchise to an individual or corporation by the Government has been in effect a subsidy. Every crop or farm loan at lower than customary private interest rate has been a subsidy at the taxpayer's expense.

Every Defense Plant Corporation loan to American business for the purpose of plant expansion which included rapid amortization clauses or lower-than-usual interest rate is a subsidy. And when the war is over, every readjustment of contract or plant indebtedness will be a further subsidy to private business at the expense of the American taxpayer. So the charge that subsidies are un-American is fallacious, the charge is untrue.

The charge is made for the purpose of dragging the red herring across the trail and confusing the American people. Those who make this charge may suc-

ceed in confusing the people now, but when the price of living advances 10, 15, or even 25 percent during 1944, they will not face a confused people. They will face an enraged people.

If the price of living goes up 10 percent in 1944 it will cost the people of the United States \$15,000,000,000. Is there a man in this Congress who will deny that we face a 10 percent rise in the cost of living if price control is sabotaged? You cannot have price control without subsidies for below-cost producers and you cannot keep the price of living down without price control. The expense of \$800,000,000 in subsidies will provide the farmer a fair price for his products.

No one will deny that farm income has risen 196 percent since 1939. In comparison nonfarm income has risen 90 percent. The wartime rise in net income of farmers is not confined to any one type of farmer, but extends to all types as a careful study by the Bureau of Agricultural Economics shows. In 1939 the farmers received \$4,668,000,000 for their products, and it is estimated by the Bureau of Agricultural Economics that they will receive over \$12,000,000,000 this year. These prices are stable in comparison with the price of wages. If we destroy stabilization and lay the groundwork for a severe inflation, the farmers will be the chief ones to suffer as they were in 1921 and 1922. The mortgage companies will recapture the land and we will again burn corn and wheat for fuel instead of coal. Who is it then that opposes the use of subsidies?

There are two groups in this Congress who oppose subsidies. The first and smaller group is composed of those who are yielding to the pressure of professional farm organization leaders who claim to represent the best interests of the rank and file of American farmers. I do not believe they properly represent the best interests of the rank and file of the American farmers, because an attack on stabilization will in the long run hurt the farmers the most. An attack on subsidies now will be used in the post-war era as a precedent to deny the farmer fair prices. The argument today is to return to the law of supply and demand. Obviously this argument is based on the extraordinary demand for farm products during this war emergency. If you eliminate price control during these times for agricultural commodities, how can you depart from the law of supply and demand when these same commodities become surpluses in the post-war era?

The second group who oppose subsidies, I am convinced, are opposing them strictly from a political standpoint. The fact that the Republican Party is voting as a bloc on this issue is ample proof that this is a partisan stand. Let us Democrats be realistic about this matter. What does the Republican Party stand to gain by this attack upon price control?

A rise in the cost of living throughout our country will create great confusion and resentment in the minds of

the average consumer, many of whom have not received an increase in their earning power. An increase in the cost of living will disrupt the present comparatively peaceful labor situation. The wage earners of this country will be forced to demand additional wages. Opposition to this demand will involve the workers in strikes. This will create confusion throughout the Nation and in the ensuing confusion the blame will be placed by the newspapers and radios, which are controlled by the Republican philosophy, on the Democratic Party.

I want to make it very plain that many of us realize the value politically to the Republican Party in their furtherance of this part of their plan to capture political control of the Nation, but I do want to appeal to my fellow Democrats to support the subsidy price control stabilization plan. It is the only way to prevent inflation. Remember this subsidy plan is not a plan advanced by theorists or economists. Insofar as it has been properly applied, it has worked in the past few months to arrest the heretofore rapidly rising cost of living. Congress has directed the Price Administrator, Chester Bowles, to replace the professors and economists with businessmen. This he has done. Thirty-eight out of the top forty-four executives in the O. P. A. have been drawn from the most representative businesses in America—men whose experience has been with nationally-known firms such as Armour & Co., great department stores such as Macy's and Wanamakers, men who have had years of food experience with General Foods, Inc., and so forth. These men all agree that subsidies are necessary to control the price of living. They look upon this method as the only way to stabilize the fact-yielding line. When you vote against subsidies you are not voting against theorists. You are voting against the cold analytical conclusions of representative businessmen from the largest business firms in America. An investment of \$300,000,000 is a good businessman's bargain, as Chester Bowles recently said. It will prevent at this time a 10 percent rise in the cost of living which will cost the American people \$15,000,000,000.

Mr. BROWN of Georgia. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. DILWEG].

Mr. DILWEG. Mr. Chairman, I should like to have the gentleman from Michigan answer the question propounded by the gentleman from Texas [Mr. PATMAN] when he asked him whether or not the support price paid to a part of a general field would affect the maximum price of the entire field?

Mr. WOLCOTT. With respect to sugar?

Mr. DILWEG. Yes; I think that is a good example.

Mr. WOLCOTT. All right; let us take sugar. I do not want to get into a confusion of figures, but I understand that the sugar produced domestically in continental United States amounts to 29 percent of the sugar we consume and that

this is divided 26 percent beet sugar and 3 percent cane sugar.

Under the O. P. A. Act, even if all of these other acts were negated by this law, the O. P. A. Administrator could pay the domestic producers of sugar, whether it be cane or beet, the half cent or the cent which might be considered necessary to get the maximum amount of production without having to pay that half cent or cent to the 71 percent of off-shore sugar; so we have not seen fit to answer specifically the gentleman from Texas in the exaggerated claim he made of the millions and millions it would cost in the sugar bill of the Nation. It could not cost any more than a half cent or cent a pound on the amount of sugar produced domestically.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 1 minute.

Mr. DILWEG. Is not that a matter of interpretation of law? Is that the gentleman's interpretation of that law?

Mr. WOLCOTT. Yes.

Mr. DILWEG. Then how does the gentleman account for the fact that the law does propose this: That support prices shall continue to be announced and so forth—and states:

Any maximum prices heretofore or hereunder established for such commodity shall not be below the support price therefor.

Mr. WOLCOTT. Does the gentleman believe that this bill repeals the Price Control Act?

Mr. DILWEG. I am asking the gentleman from Michigan.

Mr. WOLCOTT. I do not believe this bill repeals the Price Control Act. I believe that if the domestic producers of sugar are actually high-cost marginal producers, then the O. P. A. has the authority to subsidize them just as they have the authority to subsidize high-cost marginal domestic producers of copper or any other material.

Mr. DILWEG. But in the main that becomes a consumer subsidy, does it not?

Mr. WOLCOTT. Not in any part.

Mr. DILWEG. I claim that it is.

Mr. WOLCOTT. No; it is a subsidy for the purpose of obtaining the maximum amount of production which we have set up in at least two different laws.

Mr. DILWEG. And it does not increase the cost of the article to the consumer.

Mr. WOLCOTT. No; it does not because you keep your general price down. It is the same as when you pay a subsidy of 4 or 7 cents a pound on copper to open up the high cost marginal producer mines; the subsidy is paid for the purpose of obtaining the maximum amount of production of copper; and sugar in this particular case is in the same position as copper under the Price Control Act.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. We have been over this before, have we not?

Mr. MONRONEY. I was going to ask about another item, that is all.

Mr. MILLER of Connecticut. Mr. Chairman, I ask unanimous consent to extend my own remarks in the Record at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MILLER of Connecticut. Mr. Chairman, I agree with my colleague from Michigan [Mr. WOLCOTT] that the principle involved in this legislation is the most fundamental involved in any legislation we have considered for a great many years. I expect to vote for H. R. 3477, as approved by the House Banking and Currency Committee, but I want the Record to show just why I am voting against consumer subsidies.

When this proposal was before the House last June, I voted against the subsidy provision and later voted to sustain the President's veto. I may have misinterpreted the subsidy section but I concluded, at that time, that in view of the circumstances that then existed, the prohibition against consumer subsidies went too far. I had previously and, in fact, on several occasions expressed my opposition to consumer subsidies. However, at that time it was generally known that Congress was about to recess for 2 months. I did not feel then that I wanted to bar all consumer subsidies inasmuch as Congress was not going to be in session for some time.

Today the situation is different. The President has known for months that an overwhelming majority of Members of the House and Senate are opposed to the payment of consumer subsidies. No one can deny that we have the right—in fact, we have the duty to prohibit consumer subsidies. During the summer I spent 6 weeks at home talking to from 50 to 80 people each day. With the exception of C. I. O. delegations, no one with whom I talked urged consumer subsidies. Time after time, committees representing various locals of the C. I. O. would urge me to vote for consumer subsidies but many, many times, after a discussion of the question, they would admit that personally they did not approve of the program but they were carrying out instructions from their national headquarters.

I have spent more time reading, studying, and listening to speeches on this subject than any other subject considered by Congress since I have been here. Every one of us knows that there is nothing new in this consumer subsidy program. It has been tried time and time again. The Caesars experimented with consumer subsidies and, in spite of the strength of the Roman Empire, it was a subsidy program that, in a large way, wrecked that great empire.

I am, absolutely convinced that the adoption of this legislation, thereby preventing the payment of consumer subsidy, is not a departure from the Price Control Act. It is true we ordered the President to hold prices at the September 1942 level. It has not been done, even with subsidies. Congress knew when it adopted the Price Control Act that there would have to be adjustments, both up and down, in the prices existing

in September 1942. No effort had been made to determine whether or not the September 1942 prices were economically sound. As proof of that fact, Congress recognized the necessity of flexibility, and I quote a brief provision from the Emergency Price Control Act:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs.

Prices can even now be adjusted downward in some cases without the payment of subsidies. If you doubt this, I call your attention to Mr. Vinson's order, which appeared in last night's Washington paper, ordering a reduction of 25 percent in the price of citrus fruits. Our colleague the gentleman from Texas [Mr. PATMAN] has referred to every farm-relief payment as a subsidy. Certainly roll-back consumer subsidies are not being proposed as a relief measure. Not when a millionaire can get 5 cents out of the Federal Treasury for every pound of sirloin steak he buys—if he can find the sirloin. How can anyone argue that it is not inflationary to take a maximum of \$800,000,000 out of the Federal Treasury and use it to pay part of the grocery bill of every consumer in the United States?

It has been said that the adoption of this bill means uncontrolled inflation, upward spiraling prices, and so forth. I ask in all seriousness, How come? Do those who advance that argument mean to imply that this administration will take a dog-in-the-manger attitude, and take off all price control, thereby permitting prices to soar, simply because Congress, in its wisdom, decided to forbid the payment of consumer subsidies? Will anyone contend that the announced consumer subsidy of a few cents a pound on meat and butter means the difference between stabilization and uncontrolled inflation? I do not think so. This Government spent millions of dollars over a short period of years, trying to increase the price of farm commodities, by even more than the few cents involved in this legislation, and no one feared uncontrolled inflation at that time.

I realize there are many people living on fixed incomes or working for salaries in nonwar industries who have had no increase in income since 1939. It is our duty to consider their situation, especially when we take up the tax bill next week. But they are not the ones who are clamoring for consumer subsidies. The ones I hear from, who want part of their grocery bill paid from the Federal Treasury, are those who are making more money than they have made since 1918. How are the Members of this House who vote for consumer subsidies going to look the returning soldier and sailor in the

eye, after these servicemen have found out that you and I, with our \$10,000-a-year salary, have voted to take \$6.32 out of the Federal Treasury for each member of our family and left these returning servicemen with a debt of \$19 that they must pay over a period of years for each \$6.32 we have voted ourselves? How will the man now working on the production line of this Nation look his son, brother, or friend in the eye, under such circumstances? In closing, I submit that consumer subsidies are un-American, inflationary, and a threat to the future security of this Nation.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am not going to thank the Republicans and I am not going to thank the Democrats for the confused and miserable situation in which this Nation finds itself. If I had to thank anyone I would have to thank the gentleman from Texas [Mr. PATMAN] and his party, because they are in the majority. The administration is in their hands and the responsibility, be that good or bad, is theirs primarily.

I repeat, however, that after we are elected as Members of Congress we should forget that we are either Republicans or Democrats. Just plain citizens cooperating and working together for the best interests of our Nation. We have made blunders enough. Let us not make more. We have permitted a few alphabetical set-ups to all but wreck the Nation's food supply. To correct these blunders is our duty and our responsibility not as Democrats and not as Republicans but as Members of Congress—citizens of the greatest Nation on the face of the earth.

We are traveling a dangerous road—the road of subsidies. Subsidies mean national decay. When the Roman Empire was on its last leg, its rulers gave subsidies to prolong their reckless rule. Is it possible that the bureaucracy is also on its last leg? Is it attempting to continue its inglorious rule of waste by giving subsidies? Subsidies are a fraud and a deception. They would put millions on the public teat that has already been sucked dry to the extent of over \$150,000,000—the public debt.

Subsidies are based upon the theory that you can tax yourselves into cheaper living. Only the unthinking believe that they can pull themselves up by their own bootstraps. Subsidies are a delusion because if we pay them out of present taxation, then, for every 50 cents we receive we will have to tax ourselves \$1. The other 50 cents will go to the pay-rollers—the pie counter brigade—that dish them out to us.

Since we are already over \$150,000,000,000 in debt, subsidies will have to be paid out of additional borrowed money. They will have to be paid in addition to the expense of distribution together with interest. They will have to be paid out of taxes collected during the war and when the war is over.

They will have to be collected from those of us who live on a subsistent wage

or income. We will have to draw in our belts a few notches further than the 20 percent withholding tax. We are being taxed all we can stand. Why should we be foolish enough to collect additional millions for the pie counter brigade that ride on our backs. These parasites must be eliminated. We must use drastic measures to remove them—lysol if need be.

But since we cannot pay these subsidies out of present taxation then when our sons return from the victorious battlefields they will be compelled to help pay our board bill. I appeal to every father and mother who has a son in the armed forces, to every brother and sister of the boys in uniform to register a protest to such a cowardly, dishonorable, and contemptible attempt on the part of the stayers at home—an attempt to fasten their board bill not only on the soldiers when they return but on the unborn millions.

The farmer cannot be fooled. He knows that when the subsidy went into force on butter he was rolled back 4 cents a pound. Again when the subsidy went into effect on beef the rancher was rolled back 4 cents a pound. He lost \$56 on every steer. Who got the subsidies—let the O. P. A. answer. Most of it went to the pie-counter brigade—to the immature from New York in the O. P. A. The consumer and the producer were rolled back. The pay-roller and the processor got most of the subsidies.

If we grant the major premise of those who argue in favor of subsidies then they have a logical argument. But their major premise is false. It is untrue. The fact is we are not going to have inflation. We have inflation. Let that sink deep into your conscience. There is no honesty in saying that subsidies will prevent inflation. How can they? You already have the disease.

Subsidies have nothing to do with inflation. Inflation has been caused by printing four times as much money as we ever had in circulation before. This money was given to the big concerns—the cost-plus contractors—and now we are trying to siphon it back from the little fellow via 20 percent withholding tax—via high cost of living. Thus with one hand we would hand the wage earners subsidies and with the other hand we would siphon them away. Ridiculous but tragic.

I repeat that inflation was brought about by the cost-plus contracts, brought about by contracts where Uncle Sam prints and furnishes all the money and materials and the contractors get the 10 percent plus. Of course, the bigger the cost the bigger the plus. In order to supply these cost-plus contractors with sufficient money, Uncle Sam just opened the printing presses. He printed about \$19,247,059,969 where before there never was over \$5,700,000,000. This additional \$14,000,000,000 was not equally distributed. It was distributed to a few and now we want to siphon it back from the many.

Why talk about inflation? We have inflation. It has been brought about by the Federal Reserve banks opening the

printing presses for the big boys—not for the farmers and the wage earners. The high cost of living is the result of inflation, not the cause. The cause of inflation is the cheapness of money, not the scarcity of commodities. Let us do some straight thinking and not deceive ourselves with dumbness. Scarcity of articles does not cause inflation. When there are crop failures there is not inflation. Even in famine countries there is no inflation. Inflation is caused by the Government printing too much money.

Some of those who today argued for subsidies, just a few days ago told us that the people had too much purchasing power. They were alarmed lest wages would increase and the workingmen be given more purchasing power. Yet today those same Members argue that there is not sufficient purchasing power, that you have to give the consumer subsidies. That argument is contradictory unless we assume that most of the consumers here under consideration are drones and not wage earners or workers.

The only way to stop inflation is for the President and the Federal Reserve banking system to stop printing money for the cost-plus contractors. Let them call in some of the surplus money they have issued. Some of the money subsidies they have given to the big boys. There is where inflation must be halted if you are going to halt it. Why should we cowardly argue all around the thing that needs correction and that needs watching? Inflation means just one thing. More money in circulation than is healthy for the people. Remember this money, however, has reached only a few. The rest of us are being deflated, not inflated.

Another factor in inflation is the \$150,000,000,000 of debts. Even the servicemen ask us whether Uncle Sam's bonds are safe. Whether they had not better buy something in place of saving the bonds. The people are getting suspicious of our ability to finance the whole world. The people are getting suspicious of our ability to lend-lease indefinitely. The time has come for an American program as well as a foreign policy. Charity still begins at home.

We have been challenged by the gentleman from Texas not only once but many times to offer a substitute for subsidies in order to bring about full agricultural production. I will give him a substitute. Pass H. R. 2475, the cost-of-production bill. Give to the farmer what it costs him to produce, and it will not be necessary to subsidize anybody.

Mr. GAVIN. Will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I know the gentleman comes from a great farming State. Does he not think if they would take the shackles off the American farmer, eliminate these restrictions and regulations that are strangling him to death, and give him a fair price for his products, he would produce all the necessary food not only for civilian purposes, but for war purposes as well?

Does not the gentleman believe that price control has degenerated into profit control? The new philosophy of bureaucracy is production for use and not for profit. They have planned for months a plan of producer to consumer to eliminate the farmer, middle man, small businessman, and small producer. Do you not believe they intend to regiment the entire agricultural life of the Nation?

Mr. LEMKE. The gentleman is correct, and I am coming to that in a moment.

We have no business to expect the farmer to produce for less than it costs, and the farmer is on to the hypocritical scheme of subsidizing and regimenting him. He is through with that ignorance. He who can read ought to read the signs of the times. We have just had an election. That should be an eye-opener even to those who believe in subsidies—in pulling themselves up by their own boot straps.

I want to say to my Republican friends that the recent election was not a signal to them to go back to the dark ages, but was a signal to get rid of government by and through bureaucracy.

Again, I will offer another substitute. Abolish the O. P. A. and all the other alphabetical set-ups that are needlessly wasting manpower and energy, that are putting unnecessary hardships on the American people. Congress made a serious mistake when it surrendered that power to the executive department. Congress, if it had its eyes open, should have put a ceiling and floor on every commodity the day after Pearl Harbor. That ceiling and floor should have been the price that things were selling at on December 7.

Then, it should have appointed one committee, one alphabetical set-up in place of all the rest, to adjust any differentials that were necessary. Of course, Congress should have men of ability and experience on it, not a lot of immature boys from New York and other large cities. That would have solved that problem and we would not find ourselves in the ridiculous situation we are in today. It may not be too late yet to do that.

I will give you an example of how the O. P. A. increased prices. It put a ceiling on raspberries. A large part of our raspberries are raised in Minnesota. The grower could not pick and get them harvested at the ceiling they put on them as one farmer testified before the Members of Congress that met in Minneapolis.

He had 18 acres of raspberries. When the O. P. A. fixed the ceiling of 18 cents a quart he plowed them under—the only thing he could do; and then the price went up to 90 cents a quart and you could not get them even at that.

Another case of O. P. A. bungling was in the case of potatoes. My farmers sold their potatoes at 80 cents a hundred early in the fall of 1942 and when the O. P. A. put a ceiling on them we paid \$10 a hundred here in Washington. This for potatoes that were not fit to eat. These are just two instances out of

hundreds in which the ignorance of the bureaucracy in these various alphabetical set-ups has all but wrecked agriculture and the Nation's food supply. Let us have the courage and the determination—not as Democrats and Republicans but just as plain citizens of the United States in Congress—to cooperate and correct the blunders. If this Nation is to live as a democracy we must do it. If we fail, ours will be the responsibility not as Republicans and Democrats but as the representatives of the people of the greatest Nation on the face of the earth.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, at this late hour I do not want to indulge in a lot of repetition, but I do want to point out several things that have not been mentioned. Subsidies have been tried out in Britain and in Canada for some years. Yesterday the gentleman from Michigan [Mr. WOLCOTT] stated that subsidies beget subsidies. How true that has been in Britain. They started out in 1940 with a program over there of \$55,000,000 a year on subsidies. This year it is up to £185,000,000 and still rising. Yet Britain's economy is managed much better than ours.

Let us take the case of Canada. Canada has been, in my judgment, very successful in administering this subsidy program. If you will look at the October 30, 1943, issue of the Foreign Commerce Weekly, which has a very informative article on this subject, you will find that in Canada only \$29,000,000 a year are used for subsidies on food, but their law is entirely different from that of Britain and the United States. Britain, as you know, has a Ministry of Food that has complete charge of all matters relating to food. We tried to get that in the United States, but we were not successful. Our law is the most haphazard of all these countries.

Canada takes both wage control and food control, puts them under the same head, interlocks them, and settles both at the same time.

That brings me back to the first price-control bill against which I voted, and I am proud of that vote today. I followed the lead of Mr. Bernard Baruch, who knew more about price control than anyone else in the United States. Mr. Baruch said that that price-control bill was no good and would not work, and his statement in that respect has certainly been verified by what has developed since then. Constant changes are being made, and statements are being made as to what is to be done to prevent inflation.

A lot has been said about inflation. I want to point out one thing that has not been stated. Let us say that we would take \$800,000,000 for consumer subsidies. It would be borrowed money, as has been pointed out. Let us say that we paid it in 50 years. I think that is a violent assumption because in my opinion the national debt will not be paid in 50 years or a hundred years.

But even conceding that it is paid in 50 years, at 2 percent that would mean that the taxpayer would have to pay \$1,600,000,000.

The thing I want to point out in addition to that is this: We sell our bonds usually to mature in let us say 10 years. That is quite a long stretch, but I will take that as an example. We sell this \$800,000,000 worth of bonds and what happens? If we follow exactly the same formula that has been followed in the past on bond sales, the banks will purchase 50 or 51 percent and they will put them up as collateral, currency will be issued against them, thus increasing the amount of currency in circulation.

In 10 years you will find that these banks, if they are still in existence, will buy 50 or 51 percent and again put it up as collateral and issue currency against it. So that in the course of 50 years you not only have to pay this \$800,000,000 twice but you will have issued \$3,200,000,000 of currency against it. The gentleman from Michigan [Mr. CRAWFORD] pointed out yesterday some interesting facts in regard to the two dimensions of currency, namely, volume and velocity. I want to add a little to what he said, and I agree with every statement he made.

I want to point out that while, as the gentleman from Michigan [Mr. CRAWFORD] stated, you had a turn-over of 67 times on the dollar back in 1929, we are in the position today that our deposit turn-over is 25 percent of normal. What does that mean?

It means that private money has gone into hiding, and the money that is in circulation is Government money or printing press money, because you cannot call it anything else. It is currency that is issued against the bonds that are being sold. So that there is this additional danger that the more Government money you put into the bloodstream of commerce the greater is the dilution of that bloodstream and the fewer red corpuscles you get in it. In other words, the more Government money that is put into circulation the less private money is in circulation.

If you advocate Government ownership, Government socialization, then I have no argument, but if you believe as I do in the ownership of private property and that private initiative is the greatest motive force back of progress, then you will agree with me that what we should do is take some of this money out of circulation and not put more in.

In that connection, may I add this. The gentleman from Texas [Mr. KLEBERG] made a very interesting speech on the floor of this House. There is much of it with which I agree. It was my unfortunate experience this summer in going through my district, where there are many cheese factories—we have 1,800 of them, or did have before the O. P. A. started working on them in the State of Wisconsin. As a result of O. P. A. regulations, slowly but surely these independents are being liquidated. They are forced to sell to either Borden's or National Dairy, or else lease their plants to

the same monopolies. As a result of this interference, we are finding in my State that these independent cheese makers are forced to turn over their plants and create a monopoly which will put them out of business eventually, and they know it.

We have the same difficulty with the canners. There are 35 canners in my district. They came down here in October 1942, and they came down here again and again and again. Many times I sat in with them, and we tried to get O. P. A. to set a price. Up to 3 weeks before they had to begin the pack this summer, O. P. A. refused to give them any price so they would know where they were at. The boys said to me, "What are we going to do?" I said to them, "To h— with the O. P. A.; turn out the food. We are going to need it." So they went out and turned out the food.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Texas.

Mr. KLEBERG. I should like to add to what my distinguished friend has said that on the day before yesterday I received a telegram from the canners that can 50 percent of the grapefruit and citrus products of this Nation. They still have not gotten the price which they have asked for during the entire period.

Mr. SAUTHOFF. I thank the gentleman for his observation.

It was my experience only recently to have down here for 1 month the president and manager of a large cooperative that deals in milk and milk products. They handle 60,000 pounds of milk a day. This plant was being tied up, a plant where \$30,000 worth of critical materials have been granted by the War Department so they can turn out additional cheese. They were being stopped because some young squirt that was not even dry behind the ears and had never tried a lawsuit in his life sat in the legal department and gave an interpretation to the regulation that no one agreed with and that, after 4 weeks of effort, the head of the department was simply forced to override.

To paraphrase a popular song of the present day, if some of the "pencil-packin' papas" would just lay their pencils down and let our folks go ahead and produce, we will get the food out, because our producers mean to get the food out, and they want to get it out.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SAUTHOFF. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In support of what the gentleman has said about promoting subsidies, I should like to read a few lines from a booklet entitled "British Wartime Price Restraining Subsidies":

Since the first payment of subsidies in December 1939 there have been five Budget messages, in each of which the Government could have announced their discontinuance. Far from discontinuing them, however, the Government has several times expressed

satisfaction with their operation, and, in fact, in April 1941 expressly elevated them to a principal instrument of Government policy.

This booklet was put out by the Division of Research, Office of Price Administration. As the gentleman has said, it shows that when you first promulgate a policy of this kind it grows and spreads and sinks its tentacles into the economy of the people.

Let me support the gentleman's statement further with this from the Comptroller of the Currency, dated October 30, 1943. On June 30, 1942, the 14,661 banks of this country owned \$30,000,000,000 worth of Government issues, while on June 30, 1943, the ownership had moved up to \$57,963,000,000, or six and one-half times the total capital accounts of all the banks in this country.

Mr. SAUTHOFF. I thank the gentleman. I appreciate what he has added and contributed to this discussion. Let me add this, that I received a letter from the Department of Agriculture and Markets of Wisconsin only a few days ago saying something will have to be done about O. P. A. regulations on milk and dairy products, because it is a serious danger of wiping out independence in that field and the creation of monopolies which our State has been fighting for some 40 years, to my knowledge. I have not wanted to take up so much time at this late hour, but these are matters that affect our economy and affect it seriously.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. I yield 2 more minutes to the gentleman from Wisconsin.

Mr. SAUTHOFF. If we do this, create a board that will establish a parity between wages and farm products I will vote for it. But as long as we have this insincere and superficial effort being made to regulate the prices I cannot go along with it. You will recall that back in June 1943 I introduced an amendment calling on the departments not to put any roll-back or pay any subsidies on any food products until they had reached parity. That law, which went through this House by a vote of 229 to 106, has been utterly ignored and no attention paid to it. How long are we going to endure the creation of Executive directives and the taking from the properly constituted legislative body its right to function as a legislature? How long are we going to sit quietly by and permit somebody, whom we do not even know and cannot find, to tell us what the interpretation is of the laws that we have written?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, it was stated on the floor of the House yesterday that "there must be a little flexibility and that the line could not be held hard and fast."

I do not know of any person desiring inflation in the sense that we are led to believe it may soon exist. I do know

many who feel substandard situations should be adjusted wherever these substandard conditions may arise, whether labor, business, or agriculture is affected.

The yardstick used and the fatal period of our troubles, if we would believe our friends, dates from the period following the First World War.

On that basis, agriculture's position in opposing consumers' subsidies in which they do not participate is readily explainable. Their position is justified.

Following the other war corn sold in Illinois for \$2.10 per bushel. Today the ceiling does not exceed \$1.07. Just 50 percent of the so-called inflation. Do you blame the farmer for opposing consumers' subsidies on this basis?

Following the other war the floor price on wheat was \$2.20 per bushel and today wheat is selling for \$1.40. Does this constitute inflation? Do you blame the farmer on the price he gets for this crop today?

During the same period, cattle reached a peak of about \$23 per hundred and today they are \$15.75. Does this constitute inflation? I think not. The farmer evidently, from his protests, thinks the same.

It also seems permissible to remind the Members of this body that in 1937 or 1938 cattle reached the price of almost \$20 per hundred when we were not at war and no one was mentioning inflation. It could possibly have been caused by the American recognized theory of supply and demand causing this situation.

During the same period following the First World War hogs reached the price of \$21 or \$22 and today the War Food Administrator sent all Representatives in Congress a bulletin stating that every governmental power would be used to maintain the support price of \$13.75, Chicago basis. Does this differential even approach inflation on the very basis we are led to believe? Does this situation approach inflation in view of increased farm costs?

Do not blame the farmer because he is wiser and has had more actual experience than the planners.

Mr. ROLPH. Will the gentleman yield?

Mr. SIMPSON of Illinois. Yes.

Mr. ROLPH. I want to compliment the gentleman for his very interesting statement. The gentleman comes from a farming district and several speakers in this debate have stated a large segment of the farming population of this country is in favor of subsidies. Have you found any such condition in your district?

Mr. SIMPSON of Illinois. Not a one.

Mr. BROWN of Georgia. I yield 15 minutes to the gentleman from Pennsylvania [Mr. FURLONG].

Mr. FURLONG. The proposed railroad wage scale, the wage raise, will not increase the cost of living—

Mr. WOLCOTT. Mr. Chairman, I rise to make a point of order and also to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I will make the point of order first and then make the parliamentary inquiry. I make the point of order that the gentleman is not talking on the bill. And I propound the parliamentary inquiry: Does the gentleman intend to talk on this bill in this Committee?

The CHAIRMAN. Of course, the Chair is unable to advise the gentleman from Michigan [Mr. WOLCOTT] what the gentleman from Pennsylvania [Mr. FURLONG] expects to talk on.

Mr. WOLCOTT. I might say that I understood the gentleman had some time under special orders.

The CHAIRMAN. All the Chair knows is that the gentleman in charge of the time on the majority side yielded to the gentleman from Pennsylvania.

Mr. BROWN of Georgia. Of course, I did not know the gentleman from Pennsylvania [Mr. FURLONG] had time under a special order. I do not think the gentleman wants to speak at this time if he has time under a special order.

Mr. FURLONG. Mr. Chairman, I will abide by whatever you say.

The CHAIRMAN. The gentleman is recognized for 15 minutes. Of course, under the rule, debate must be confined to the bill under consideration.

Mr. WOLCOTT. I ask the further parliamentary inquiry, Has the gentleman been granted a request to speak under special orders this evening?

Mr. FURLONG. Yes, sir.

The CHAIRMAN. If the gentleman does not intend to speak on the bill under consideration, it would probably be more appropriate for him to take his special order.

Mr. FURLONG. Thank you, sir.

The CHAIRMAN. The rule providing for the consideration of the pending bill provides that debate shall be confined to the bill.

Mr. FURLONG. Well, it concerned the bill, but not entirely so. It will concern what you are debating about today. I shall abide, however, by whatever you gentlemen decide.

Mr. WOLCOTT. I want the gentleman to understand I am not trying to take him off his feet. There were others who had special orders, and they asked me how the gentleman happened to be addressing the Committee at this time. I am sure the gentleman will appreciate the situation.

Mr. FURLONG. Whatever you decide to do, I will abide by it. What is your decision, Mr. Chairman?

The CHAIRMAN. Does the gentleman desire to wait for his special order?

Mr. FURLONG. Yes; whatever your decision is, thank you.

Mr. BROWN of Georgia. Mr. Chairman, the Clerk may read.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the first sentence thereof the term "31st of March" where that term first appears therein and substituting in lieu thereof the term "20th of June," and by deleting from the second sentence thereof "on the basis of the cost, including not more than 1 year of carry-

ing charges, of such assets to the Corporation, or the average market prices of such assets for a period of 12 months ending with March 31 of each year, whichever is less" and inserting in lieu thereof "on the basis of the cost, or, insofar as practicable, the average market price of such assets during the last month of the fiscal year covered by the appraisal, whichever is the lower." The first appraisal of the assets and liabilities of the Commodity Credit Corporation on the basis established by this amendment shall be made as of June 30, 1944.

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and Mr. RAMSPECK, having assumed the chair as Speaker pro tempore, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3477, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I have made today and include therein certain statements and excerpts relating thereto, including extraneous matter.

The SPEAKER pro tempore (Mr. RAMSPECK). Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I have four requests to submit.

I ask unanimous consent that the gentleman from Iowa [Mr. JENSEN] may have permission to revise and extend the remarks he made in the Committee today, and to include therein a statement.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WOLCOTT. I ask unanimous consent that the gentleman from Vermont [Mr. PLUMLEY] may extend his own remarks and include therein an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WOLCOTT. I ask unanimous consent that the gentleman from Michigan [Mr. WOODRUFF] may extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. WOODRUFF] may extend his own remarks in the RECORD and include therein a letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include three short letters referred to in those remarks and some short excerpts, and the name and authorship of a book, which I request likewise to be made a part of my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon in Committee and to include therein a letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DILWEG. Mr. Speaker, I ask unanimous consent that my colleague [Mr. SPARKMAN] may be permitted to extend his remarks in the RECORD and include therein several editorials.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TIBBOTT. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Pennsylvania [Mr. GERLACH] may be permitted to extend his remarks in the RECORD in two instances, in one to include an address delivered before members of the Lehigh Valley Medical Society and in the second instance to include a letter from the Pennsylvania Cooperative Potato Growers' Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my remarks and to include some correspondence I received from the Maryland Citizens Committee for Democracy, the Baltimore League of Women Voters, and a petition from Local No. 43, Industrial Union of Maritime and Shipbuilding Workers of America.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a report by E. H. Butler on the cost of living.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MONRONEY. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Oklahoma [Mr. BOREN] may have permission to extend his own remarks in the RECORD in six separate instances, and to include therein certain excerpts and extraneous matter pertaining to the bill presently under consideration.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 15 minutes.

THE GETTYSBURG ADDRESS—EIGHTY YEARS AFTER THE ENDURING WORDS OF LINCOLN

Mr. DONDERO. Mr. Speaker, four-score years ago today Abraham Lincoln, sixteenth President of the United States, stood on a crude platform in the midst of new-made graves at Gettysburg and delivered an address which has not "perished from the earth."

In July 1863 it took 175,000 men in Blue and Gray, at a cost of 10,000 lives, in 3 days of battle, to elevate the little

Pennsylvania town of Gettysburg to his-toric fame. Four months later it took 1 man 2 minutes in 270 words to make it a spot of double historic interest which the world will always note and long re-member. Thereafter it had a second claim to immortality.

Eighty years have passed since Lin-coln stood in the crisp air of a November afternoon in response to an invitation to "make a few appropriate remarks" at the dedication of a national cemetery at Gettysburg. It is quite evident that he was not invited because of his ability as an orator, nor for what he might say, but only because he was the President of the United States. He was to be there as a figurehead to draw a crowd. The committee in charge came very near not inviting the President, feeling that he might make a political speech or other-wise mar the dignity of the occasion.

Lincoln did not use that modern, much-abused word "democracy," but he did mention "the Government of the people"; declared that it should not perish from the earth and that it should have a new birth of freedom. He was not sure that it would not perish, but he did ask the people to highly resolve that the dead shall not have died in vain. We are the stewards of that trust.

The beauty and the eloquence of the Gettysburg Address remain undimmed with the passage of time. Rarely, if ever, has any man said so much in so few words. Its brevity, modesty, and sim-plicity, its charm and power, mark it a masterpiece of the purest English; and it still stands as the oration of the age. The cadence of its words makes it as beautiful as a Psalm.

The address, however, was not regarded highly when it was new. Bitterness clouded reason and true appreciation of an address, wholly devoid of bitterness. While there were those who heard the address and appreciated it, there were also those who criticized it. Lincoln himself told his friend, Ward Lamon, on the platform after he concluded, "That speech won't scour," and the President was depressed. One newspaper charac-terized the speech as the President's "silly remarks." The Chicago Times referred to it as a "silly, flat, and dishwatery ut-terance," while the London Times com-mented by saying, "Anything more dull and commonplace would not be easy to produce."

The heartaches and grief, the hopes and prayers, the aspirations and faith of a liberty-loving people were expressed by this Uncommon Commoner in 20 lines. Simple words they were, but packed with so much meaning as to become engraved in the minds of men for all time. They reflected the simplicity of the man who uttered them.

We might well contemplate Lincoln as we wage a Second World War and, at home, face problems of a magnitude which he knew. It should profit our cur-rent leaders, it should curb any reckless ambitions which they may have, to real-ize that Lincoln's greatness came in re-spect and therefore is enduring. This

man neither sought nor experienced the acclaim of the multitude while he lived. His strength lay in the knowledge of his limitations; it lay in his humility before his God.

It was his genuineness that has stood the test of time, not an effort for a fleet-ing fame which so many seem to make. He was not thought of as a man of stature in his day. It never occurred to him that he was the only one capable of serving in the high office which was his. Instead, his was a deep sense of obliga-tion to a people who so honored him.

He sought not after false prophets for wisdom. He drew it from the people whom he served. He was the composite greatness of a people, not a man who either thought he could or who sought to set the world agog.

In our high places today we need men of his homely virtue, we need his simple philosophy throughout our national life. Only in this way will we successfully meet the grave problems facing us.

Lincoln dedicated himself to the great task before him, not to the advancement of his ambitions. Let us all, here and now, rededicate ourselves to the things for which he stood and which he ex-pressed so eloquently. As a nation we have wandered far away.

The SPEAKER pro tempore. Under the previous order of the House the gen-tleman from Pennsylvania [Mr. FUR-long] is recognized for 15 minutes.

Mr. FURLONG. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a press release from the Senate Inter-state Commerce Committee.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

THE PROPOSED RAILROAD WAGE WILL NOT INCREASE THE COST OF LIVING

Mr. FURLONG. Mr. Speaker, through the enactment of the so-called Stabiliza-tion Act approved October 2, 1942, Con-gress provided:

That in order to aid in the effective prose-cution of the war the President is author-ized and directed on or before November 1, 1942, to issue a general order stabilizing prices, wages and salaries affecting the cost of living.

On the following day, October 3, the President issued his Executive Order No. 9250, establishing the Office of Economic Stabilization. In paragraph 3, of this Executive order, the President directed that:

The Director, with the approval of the President, shall formulate and develop a com-prehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing subsidies and all related matters—all for the purpose of preventing avoidable increases in the cost of living.

The President's Executive order, in section 4, provided further that:

The guiding policy of the Director and of all departments and agencies of the Gov-ernment shall be to stabilize the cost of living in accordance with the acts of Octo-ber 2, 1942.

I call attention to these basic objec-tives of the stabilization program for the purpose of relating them to the present railroad wage dispute which has now reached the point where it has produced the threat of a Nation-wide railroad strike.

The only way in which the 8-cent hourly increase recommended by the President's Emergency Board for rail-way workers can contribute to an in-crease in the cost of living would be as a result of increase thereby necessitated in freight or passenger rates.

It is common knowledge that the rail-roads today are rolling in wealth and wallowing in war profits as a result of the record business handled in the past 2 or 3 years. Consequently, there is no necessity for raising freight or passenger rates following the granting of the 8-cent hourly railroad wage raise rec-ommended for these highly efficient workers by an emergency board after 44 days of public hearings and investiga-tion.

The fact that no freight-rate increases are necessary was clearly reflected in the position taken a few days ago by the Stabilization Director before the Inter-state Commerce Commission. In ap-pearing before the Commission last week Mr. Vinson and others urged the further suspension of the freight-rate increases that were ordered by the Commission in April 1942. He urged an indefinite sus-pension and on Saturday, October 30, the railroads themselves agreed to a further suspension of 6 months beyond the end of this year. The railroads took this action after having signed an agreement with the employees on August 7 provid-ing for an 8-cent hourly increase in wages which the Stabilization Director has not, as yet, approved.

During 1941 there was a very substan-tial increase in railroad business and railroad operating revenues as compared with 1940. In fact the 1941 operating revenues of the class I railroads, which amounted to \$5,377,000,000, were well over a billion dollars in excess of the 1940 revenues, when the roads took in \$4,297,000,000.

But in 1942 the railroads' operating revenues climbed to new high peaks, never before even remotely approached, when they soared to \$7,466,000,000. This was the first time in railroad history that operating revenues ever reached the seven-billion figure, the nearest previous approach being in our earlier pre-war business peak of 1929, when they climbed to \$6,279,000,000, or approximately 1¼ billion less than the figure reached in 1942.

However, during the present year the fantastic figures of 1942 are being left far behind. During the first 8 months of 1943 the railroad revenues increased a fraction of 28 percent above the amaz-ing high peaks set in 1942. Incidentally, this meant an increase of about 75 per-cent over the prosperous year of 1941.

After deduction for operating ex-penses, the net revenues for the first 8 months of this year were about 41 per-

cent over 1942. It will be noted that while total revenues went up 28 percent, the net revenue climbed 41 percent, which means that during the first 8 months of this year railroad revenue increased more rapidly than did railroad expenses. In fact, for the first 8 months of this year their net income after taxes went up 30 percent notwithstanding the fact that they are paying a greater amount of taxes than ever before in the history of the industry.

I merely mention a fact well known to all informed persons and not denied by the railroads or by the Interstate Commerce Commission when I say that the 8-cent hourly increase for railroad workers, as recommended last May by the President's Emergency Board, can be applied by the railroad industry without increasing freight or passenger rates and, therefore, without increasing the cost of living.

Consequently, this important basic factor underlying the Stabilization Act and the President's Executive Order 9250 did not justify nor warrant the Stabilization Director in his unexpected and arbitrary cancelation of the railroad wage increase.

Since his action was not required for the accomplishment of the purpose of the Stabilization Act, since it could not even be justified on these grounds, and since the result of his arbitrary act has seriously impaired, rather than aided, the effective prosecution of the war, it seems to me that it is now essential to the national welfare for Congress to take such action as may be necessary to correct this situation at the earliest possible date, and to restore the labor stability that prevailed in the railroad industry prior to the time that the Stabilization Director stepped in with his unstable action.

The subcommittee of the Senate Interstate Commerce Committee, to whom was referred Senate Joint Resolution 91, recommends that it be reported out favorably. At public hearings on the resolution, representatives of railroad management and labor presented their views with considerable documentary evidence. All of this was submitted to Judge Vinson, Director, Economic Stabilization, and his comment thereon was solicited and received.

We find it necessary to point out that, contrary to the statement of Judge Vinson, the passage of this resolution will not disturb the Little Steel formula nor will it express directly or indirectly congressional disapproval of that formula. The subcommittee favors the stabilization of wages as required by the Stabilization Act of October 2, 1942, and subsequent Presidential orders authorized by that act.

The gross misinterpretation of this act has caused so much confusion that congressional clarification seems necessary. That is all Senate Joint Resolution 91 attempts to do.

There should be no unsettled dispute with reference to the wage increase here involved since this was the product of a Presidential emergency board recommendation which was accepted in an agreement between the carriers and their employees on August 7, 1943. Administrative approval of the agreement should not have been withheld.

Out of the Stabilization Act of October 2, 1942, came the "hold the line" order (No.

9328). The Little Steel formula was only one of the bases laid down by the President upon which wage increases were to be permitted. The railway wage agreement and the Board's report were justified not under the Little Steel formula but under other principles specifically written into the Stabilization Act and maintained by the President. Approval of the wage increase agreement of August 7, 1943, therefore in no way violates or even modifies the Little Steel formula.

Director Vinson, apparently realizing that nonoperating railway employees are underpaid, has suggested a sliding-scale wage increase of from 4 to 10 cents per hour. If 8 cents does violence to Little Steel, what does 4 to 10 cents do to it? The pay roll under Judge Vinson's proposal would differ by less than 1 percent from the pay roll if the wage agreement which he disapproves were made effective. Obviously the railroad industry wage agreement is not inflationary since Judge Vinson maintains that his substitute is not inflationary.

The unsettling effect of Judge Vinson's proposal is plain to all practical railroad men. The arbitrary sliding scale proposed by Judge Vinson would destroy existing wage differentials, and would be contrary to sound industrial practice and in violation of the directive of Justice Byrnes on which Judge Vinson claims to rely. The folly of creating new inequities, by introducing this sliding scale is evident.

The President's Emergency Board in recommending the 8-cent wage increase followed the principle and requirement written into the Stabilization Act that wage adjustments should be made when necessary to correct gross inequities and to aid in the effective prosecution of the war.

The subcommittee finds that this is the fundamental principle involved in this dispute between Judge Vinson on the one hand and other Government officials plus the railroad industry on the other.

Advice from every competent and informed source assures us that approval of the wage agreement is necessary to remove gross inequities and to aid in the effective prosecution of the war. Such approval will not weaken but will fortify the hold-the-line policy of the President.

EDWIN C. JOHNSON, *Chairman*.

HARRY S. TRUMAN.

ROBERT F. WAGNER.

HENRIK SHIPSTEAD.

CLYDE M. REED.

Senator REED concurs in the action of the subcommittee in reporting Senate Joint Resolution 91 favorably. He will submit his individual views in a separate statement.

ADJOURNMENT

Mr. BROWN of Georgia. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, November 22, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, November 22, 1943.

Business to be considered: To hear Mr. Boeschstein and Mr. Bittner to bring the committee up to date on W. P. B. activities on newsprint.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the subcommittee at 10 a. m. on Tuesday, November 23, 1943, for consideration of H. R. 3140 et al.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will resume consideration on Tuesday, November 23, 1943, at 10 a. m., on House Resolutions 350 and 352, providing for the establishment by the Executive of a commission to effectuate the rescue of the Jewish people of Europe.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

921. A letter from the Attorney General, transmitting a draft of a proposed bill to amend section 342 of the Nationality Act of 1940 in respect to fees for the issuance of certificates of arrival; to the Committee on Immigration and Naturalization.

922. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to authorize the Commissioners of the District of Columbia to appoint notaries public; to the Committee on the District of Columbia.

923. A letter from the Administrator of Veterans' Affairs, transmitting corrected copies of the information furnished the Director of the Bureau of the Budget for the purpose of making a determination of the Veterans' Administration personnel requirements for the second quarter of the 1944 fiscal year; to the Committee on the Civil Service.

924. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

925. A letter from the chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, transmitting in accordance with title 6 of the Revenue Act of 1941, Public Law 250, Seventy-seventh Congress, a report on Federal ownership of real estate; to the Committee on Ways and Means.

926. A letter from the Special Assistant to the Secretary of the Navy, transmitting in accordance with the requirement contained in the act of June 30, 1938 (52 Stat. 1253), report of agreement between the Navy Department and Standard Oil Co. of California, dated November 20, 1942, and agreement between the Navy Department and Standard Oil Co. of California, dated September 8, 1943; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODWIN: Committee on Claims. S. 648. An act for the relief of Arthur C. Norcutt; without amendment (Rept. No. 874). Referred to the Committee of the Whole House.

Mr. SCRIVNER: Committee on Claims. S. 1001. An act for the relief of the Meadow Brook Club; without amendment (Rept. No. 875). Referred to the Committee of the Whole House.

Mr. GOODWIN: Committee on Claims. S. 1038. An act for the relief of Verna Mae

Rossell and Winifred Rossell Mooney; without amendment (Rept. No. 876). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 213. A bill for the relief of Edward H. Smith; with amendment (Rept. No. 877). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHIFFLER:

H. R. 3696. A bill to authorize the seizure of certain property which is being used, or which is about to be used, to aid any nation at war with the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LECOMPTE:

H. R. 3697. A bill to amend sections 1400 and 1410 of the Federal Insurance Contributions Act, as amended, so as to continue, during the calendar year 1944, the present rate of tax on employees and employers; to the Committee on Ways and Means.

By Mr. NEWSOME:

H. R. 3698. A bill to permit increases in certain salaries without prior approval by any officer or agency of the United States; to the Committee on Banking and Currency.

By Mr. TOLAN:

H. R. 3699. A bill to provide that credit under the Civil Service Retirement Act of May 29, 1930, as amended, shall be allowed for certain service with the city of Manila, P. I.; to the Committee on the Civil Service.

By Mr. JARMAN:

H. Res. 359. Resolution authorizing the printing of additional copies of the bill entitled "The Revenue Act of 1943," and the accompanying report thereon; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOREN:

H. R. 3700. A bill to vest jurisdiction in the District Court of the United States for the Western District of Oklahoma in the case of Benjamin E. Cook, administrator of the estate of Cam C. Boyd, deceased, against the United States; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

H. R. 3701. A bill for the relief of Clinton A. Clauson; to the Committee on Claims.

By Mr. SMITH of Ohio:

H. R. 3702 (by request). A bill granting a pension to Marjorie Johnson; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3637. By Mr. SCHIFFLER: Petition of Joseph DiPietro and other citizens of Follansbee, W. Va., opposing House bill 2082; to the Committee on the Judiciary.

3638. By Mr. BRYSON: Petition of Mrs. Ottie B. Glasgow and 61 citizens of Freeport, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United

States for the duration of the war; to the Committee on the Judiciary.

3639. Also, petition of 15 members of the First Baptist Church of Versailles, Mo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3640. Also, petition of 400 members of the Fifth Avenue Baptist Church, Knoxville, Tenn., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3641. Also, petition of 150 citizens of Kimbolton, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3642. Also, petition of Jeanette Wickersham and 45 other citizens of Edison, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3643. Also, petition of 44 citizens of Gallopis, Ohio, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3644. Also, petition of Isabelle K. Huntley and 30 other citizens of Grand Junction, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3645. Also, petition of Rev. A. Lindvig and 30 members of the Second Congregational Church, Colorado Springs, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3646. Also, petition of Harold S. Lawrence and 40 other citizens of Canon City, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3647. Also, petition of Jewel Dale and 28 members of the Church of God, Grand Junction, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the

war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3648. Also, petition of 73 members of the First Baptist Church of Grand Junction, Colo., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3649. Also, petition of Charles Olson and 22 other citizens of Pocahontas, Iowa, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3650. Also, petition of Rev. T. Garland Smith and 48 members of the University Methodist Church, Buffalo, N. Y., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3651. Also, petition of Mary B. Jones and 68 citizens of Baltimore, Md., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3652. Also, petition of Mrs. S. R. Estes and 15 citizens of Muskogee, Okla., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3653. Also, petition of A. S. Allred and 191 other citizens of route No. 2, Mount Airy, N. C., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3654. Also, petition of Louise M. Petersen and 15 other citizens of Jerome, Idaho, urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3655. Also, petition of Cora G. Hanlon and 109 other citizens of Sterling, Kans., urging enactment of House bill 2082, a measure to reduce absenteeism, conserve manpower, and speed production of materials necessary for the winning of the war by prohibiting the manufacture, sale, or transportation of alcoholic liquors in the United States for the duration of the war; to the Committee on the Judiciary.

3656. By Mr. ANDERSON of California: Petition of Mrs. Jessie McEwan and others,

with reference to House bill 2082; to the Committee on the Judiciary.

3657. Also, petition of Ida May Samuelsen and others, with reference to House bill 2082; to the Committee on the Judiciary.

3658. By Mr. GAMBLE (by request): Petition signed by Mary Ann Harwood and other residents in Westchester County, N. Y., opposing the enactment of House bill 2082; to the Committee on the Judiciary.

3659. Also (by request), petition signed by Harold Werner and other residents in Westchester County, N. Y., opposing the enactment of House bill 2082; to the Committee on the Judiciary.

3660. By Mr. ELSTON of Ohio: Petition of Rev. Milton W. Dills, minister, Columbia Church of Christ, Cincinnati, Ohio, and 58 members and friends of his congregation, urging support of House bill 2082, providing for the prohibition of intoxicating liquors for the duration of the war and the period of demobilization thereafter; to the Committee on the Judiciary.

3661. By Mr. McLEAN: Resolution of the Federation of Churches of Rahway, N. J., memorializing the Congress of the United States, through its Senators and Representatives, to set up legislative machinery to study the problems of a just and lasting peace based on the Christian principle that all men everywhere are the children of a Divine Father, who desires that they live in love and charity with one another; to the Committee on Foreign Affairs.

3662. By Mrs. SMITH of Maine: Petition of members of the Pratt Memorial Methodist Church of Rockland, Maine, realizing the menace of alcoholic beverages to the safety and efficiency of our armed forces and defense workers, urge that action be taken in line with Senate bill 860, to prohibit the sale of all alcoholic liquors in and around these areas; to the Committee on the Judiciary.

3663. By the SPEAKER: Petition of the secretary, the national board of the Women's International League for Peace and Freedom, petitioning consideration of their resolution with reference to legislation to prevent inflation; to the Committee on Banking and Currency.

3664. Also, petition of the president, the American Institute of Consulting Engineers, petitioning consideration of their resolution with reference to inadvisability of the gradual extension of engineering duties by various governmental agencies into the field that has been, in the past, normally covered by private practicing engineers; to the Committee on Expenditures in the Executive Departments.

3665. Also, petition of the president, the American Institute of Consulting Engineers, petitioning consideration of their resolution with reference to opposition to the passage of Senate bill 702 and House bill 2100; to the Committee on Patents.

SENATE

MONDAY, NOVEMBER 22, 1943

(Legislative day of Thursday, November 18, 1943).

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend William J. McDonald, Ph. D., of the Catholic University of America, Washington, D. C., offered the following prayer:

Come, O Holy Spirit, inspire the Members of this august body with Thy heav-

enly wisdom; guide and direct them so that their deliberations may be fruitful unto good for all our people. Send forth Thy light, illumine their minds to see our problems in proper perspective, thus faithfully discharging their grave responsibility to the Nation and to Thee.

Thou, O Spirit of Love, inflame our hearts with the fire of divine charity so sadly needed in these days of stress and of crisis. Strengthen our wills, make us clearly to realize that every just enactment is but the reflection of Thy eternal law, having its binding force not from any mere human will alone but from a moral authority above and beyond all the powers of earth. In this recognition shall our beloved country prove worthy of her great destiny as a true leader amongst peoples for,

"* * * it is our high duty
To teach the world the might of moral beauty
And to stamp God's image truly
On the struggling soul."
Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of calendar day Thursday, November 18, 1943, was dispensed with, and the Journal was approved.

FREEZING OF SOCIAL SECURITY PAY ROLL TAXES

Mr. VANDENBERG. Mr. President, on Friday I made a short statement to the press regarding my attitude toward payroll taxes for old-age and survivors' benefits, which, under the existing statute, will increase 100 percent on New Years. I have again presented in the statement my reasons for believing that the payroll taxes should be frozen at the present level. I ask that my statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I shall again move, by amendment to the revenue bill, to freeze social-security payroll taxes for old-age and survivors' benefits at existing rates (1 percent on employers and 1 percent on employees) instead of permitting them to increase 100 percent next New Years, as the existing statute would otherwise require. On my initiative Congress has twice taken this annual action in previous years. I have withheld my conclusions for 1944 until all possible information could be explored. There may be reasons unrelated to old-age benefits which recommend the 100-percent pay-roll-tax increase next January, such as a flank movement against inflationary trends. But I am unable to find any reason, related to the maintenance of adequate reserves for existing old-age benefits, for doubling these payroll taxes on workers and employers next January; and, no matter how important other purposes may be, I shall always be unwilling to use social-security taxes for anything but social-security benefits. We are not entitled to use social-security taxes to finance any part of the war.

For the fiscal year ending June 30, 1943, we collected \$1,130,000,000 in these particular pay-roll taxes. We paid out \$149,000,000 in benefits and \$27,000,000 in administrative expenses. The balance of \$954,000,000 went

into reserve. This brought the reserve last June 30 to \$4,300,000,000. It is obviously vital that this contingent reserve should always be wholly adequate. Congress indicated in 1939 what it considers to be adequate, namely, a reserve 3 times greater than the heaviest annual costs in 5 subsequent years. That rule has been endorsed by Secretary Morgenthau. This heaviest annual cost from 1943 to 1948 is estimated by the Social Security Board from a low of \$415,000,000 to a high of \$813,000,000. The present reserve is about 11 (instead of 3) times the low and better than 5 times the high. Chairman Altmeyer, of the Social Security Board, concedes that if no employer or employee contributions were collected at all in 1944 the reserve assets on December 31, 1944, would amount to about \$4,600,000,000, which is more than 3 times the estimated expenditures 5 years later in 1949. Under such mathematical circumstances, I am unable to justify a 100-percent increase in these payroll taxes on both workers and employers next year.

It should be noted in this connection that the receipts of this fund and its balances are far greater than contemplated in its original set-up—and presumably it was initiated on firm foundations. The formal report of the Senate Finance Committee in 1939 estimated the reserve at the end of 1943 at \$2,651,000,000. Actually it will be nearer \$4,843,000,000. We shall collect more in 1944 pay-roll taxes at the existing 1 percent rates on employers and 1 percent on employees than it was expected we would collect at the contemplated rate of 2 percent on each. Therefore, it seems to me that Congress should again freeze the rate where it is.

It should be clearly understood that this question has nothing to do with the expansion of social-security benefits or coverage. There is decided need for reasonable action in both directions. Congress will meet this issue later. We are concerned at the moment solely with the problem of financing existing benefits and coverage. New rates will, of course, have to be arranged to meet new obligations. But I cannot escape the conviction that present rates are adequate for present obligations for 1 more year, and, I repeat, I am unable to consent that social-security pay-roll taxes should be used for any except social-security purposes.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Guffey	Reynolds
Andrews	Gurney	Robertson
Austin	Hatch	Russell
Bailey	Hawkes	Scruggam
Ball	Hayden	Shipstead
Barkley	Holman	Smith
Bilbo	Johnson, Calif.	Stewart
Brewster	Johnson, Colo.	Taft
Bridges	Kilgore	Thomas, Idaho
Brooks	La Follette	Thomas, Okla.
Buck	Langer	Thomas, Utah
Burton	Lucas	Tobey
Bushfield	McClellan	Truman
Butler	McFarland	Tunnell
Capper	McKellar	Tydings
Caraway	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Clark, Mo.	Mead	Wagner
Connally	Millikin	Wallgren
Danaher	Moore	Walsh
Davis	Murray	Wheeler
Downey	Nye	Wherry
Eastland	O'Daniel	White
Ellender	Overton	Wiley
Ferguson	Pepper	Willis
George	Radcliffe	Wilson
Gillette	Reed	
Green	Revercomb	